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COMMUNICATION

Perspective on bilingualism

A study relesed by the C.D. Howe Research Institute concludes that in North America the cost of communicating between English and French people has been borne almost entirely by the French — "a conclusion that holds, whether it is the French who learn the English language or the English who learn French."

In a 14-page report, entitled *"Bilingualism: an Economic Approach,"* Albert Breton of the Department of Political Economy of the University of Toronto, uses principles of economic theory to analyse language, or communication costs, in a manner similar to that used to treat transportation costs in international trade theory.

According to this theory, when trade takes place between two countries, one of which is so small that it cannot influence prices in the larger country, it follows that the small country carries the entire burden of transportation costs. Dr. Breton argues that in the North American context, the French are in a small enough minority that the small-country case applies to them, and hence it is they who bear the costs of communication.

He also concludes that individuals on the average will become only as proficient in a second language as is necessary to increase their incomes. Since English is the dominant *lingua franca* in international trade, "The advantage, or rate of return, to learning English for a Frenchman, or a Swede or a German or an Italian far exceeds the rate of return of learning French, Swedish, or German for an Englishman. It is not an accident, but a consequence of rational economic adjustment to one's environment, that English-speaking people are the most unilingual individuals in the Western world."

According to the Institute's research co-ordinator, Gerard Belanger, the study "puts the question of bilingualism in a new perspective and suggests a useful analytical framework for the study of the Quebec labour market and of lingualistic policies."

THE MEDIA

CALM convention

Joe Morris, retiring president of the Canadian Labour Congress, says "distorted" news selection by the media is the reason the public, including many union members, thinks that "unions mean little more than strikes, demonstrations, violence and troubles." Morris made the statements April 1 in Quebec City at the biennial convention of the Canadian Association of Labour Media, which groups 40 union periodicals with a total circulation of about 1 million.

Morris said unions must publish their own periodicals to inform their members about "all the issues — political, sociological, and economic — that concern them and that the news media fail to cover altogether or cover in a biased, oversimplified manner."

A very different view was expressed later by Frank Hilliard, labour-management specialist for CBC TV national news, who said coverage of labour by Canada's TV networks and big city newspapers "is the best you are going to get anywhere in the world. You are lucky to have them." Hilliard spoke as a member of a "meet the press" panel with three other labour reporters: George Dobie of *The Vancouver Sun*, Warren Beck of CHML radio news, Hamilton, and David Gerzovitz of The Canadian Press, Montreal.

Roy LaBerge, another convention speaker, argued that there is "no way" the media can convey a "valid" picture of what organized labour does and what it stands for. A veteran journalist and contributing editor to *The Labour Gazette*, LaBerge teaches social sciences at Algonquin College in Ottawa. "The news media's job is to report the news, not the day-to-day routine activities of unions," he said. "What is news? — troubles, strikes, demonstrations, arguments, divisions within unions."

Most unions, he argued, have no other regular way of communicating directly and immediately with their members except through the union press.

Berge's statements were in his port as judge of the Associa-n's first achievement awards mpetition. Winners included *The ice*, United Steelworkers of nerica, Local 7621, Grande che, Alta., for best work by a e-person, part-time operation th limited resources; *CPU urnal*, Canadian Paperworkers ion, for best editorials; *Labour ity*, Amalgamated Clothing & xtile Workers Union, for feature iting; *The Machinist Canada*, ternational Association of achinists and Aerospace orkers, for best regular feature; goma Unionist, USWA Local 51, Sault Ste. Marie, Ont., for inion and interpretive writing; nadian Interchange, Brother-od of Railway, Airline and eamship Clerks, for best front ge; *The Provincial*, B.C. overnment Employees Union, for st use of photography, and nadian Labour Comment, CLC, r service to other union perio-cals.

eports to the convention showed at the two-year-old Association s initiated a labour studies urse for journalism students in iversities and colleges; onsored workshops on printing d libel; and lobbied, without ccess, against increases in ird-class postal rates.

ETIREMENT

ge raised to 70

esident Jimmy Carter signed gislation April 6 that raises the andatory retirement age from 65 70 for most workers in the nited States, and abolishes it together for most federal em-oyees. As of Jan. 1, 1979, most mployers with 20 or more mployees will be prohibited from requiring workers, with some exceptions, to retire before 70 solely because of age. The exceptions are "high policy-making" executive categories.

Colleges and universities will have until July 1, 1982, to bring tenured professors under the age 70 law. Where mandatory retirement is provided for in collective agreements, unions and management will have until Jan. 1, 1980, or until the expiration of the contract, before the law becomes applicable.

The U.S. Department of Labor estimates that only about 200,000 people will take advantage of the new law in the first year. The national trend has been toward earlier retirement.

PENSIONS

Portability problems

The portability of private pension funds — the right of a terminating employee to have the monetary value of his pension transferred to a succeeding plan — is a major unsettled pension reform issue in the United States (and Canada).

The authors of an article in the *Industrial and Labour Relations Review* point out that the question of mandatory portability is now being studied by a Congressional task force. They say there are two basic approaches to implementing mandatory portability and both have technical and mechanical problems that must be solved before they can be implemented.

The first approach utilizes a central clearing-house as a depository for financial assets supporting the pension credits of terminating employees. The second approach is the tax-free direct transfer of pension fund assets from one qualified pension fund or retirement savings plan to a subsequent arrangement.

Both systems have their problems. If an employer's pension plan is underfunded, a transfer of the assets supporting the vested pension credits of a terminating employee may endanger the fund's adequacy to meet future liabilities created by pension promises to remaining employees. The second problem is the possible benefit fluctuation resulting from transfers between funds that utilize significantly different actuarial assumptions. A third problem involves increased liquidity requirements. When assets may be transferred out of a fund on short notice by a terminating employee, the manager may be forced to invest a larger proportion of the fund's assets in liquid securities.

More workers, less plans

More than 3.9 million workers were covered by private pension plans at the start of 1976, an increase from 3.5 million on Jan. 1, 1974, Statistics Canada reports. Yet the actual number of private plans dropped during the period — from 15,625 to 15,853. Annual contributions by both employers and employees totalled a record $4.6 billion during 1975, almost triple the 1970 total.

EMPLOYMENT

Options for older workers

Many United States employers are providing older workers with an alternative to either full employment or full retirement, according to an article in the February, 1978

issue of *World of Work Report*. Some firms are offering a slower work pace or part-time work to employees nearing retirement age, the article says.

Of 400 companies responding to a survey by William Mercer Inc., about 25 per cent said they had no mandatory retirement policy for any employee, including the chief executive. However, about 60 per cent still make retirement mandatory at 65. The report adds: "In many industries that have no forced retirement age for hourly employees, the experience is that most employees in fact retire at 65 or earlier, if liberalized pension plans make this an acceptable option."

The report notes that the bulk of U.S. Steel's 150,000 hourly workers retire as soon as they have 30 years service and are eligible for pensions, but for those who choose not to retire "both the company and the union may consult to find less physically demanding jobs as long as worker health is adequate. It quotes C.T. Spivey, vice-president for personnel, as saying U.S. Steel has no problems in finding work for those who stay on and that, in fact, "their productivity is probably greater."

Job posting

According to a Minnesota survey, job posting is more than tacking a notice on the bulletin board. It can interface with other staffing procedures, enhance communication about job opportunities, encourage self-development and reduce external recruitment costs. Two researchers found that hidden skilled employees are "uncovered" and supervisors take a closer look at employees at reviews.

They recommend both transfers and promotions be posted and that openings should be listed for some specified period before outside recruiting begins. Laid-off employees should have priority and length of company service should be the deciding factor when two equally qualified employees bid for the position.

Job bidders should list qualifications and reasons for requesting a transfer or promotion and supervisors' comments should be optional before the form is filled out. Where initial supervisory approval hasn't been sought, supervisors should make their input immediately after the application has been reviewed.

BUSINESS

Directorship practices examined

A study released by the Conference Board of Canada reports that many directors of corporations in Canada believe that shareholders and the public alike could be better served by boards than they now are.

Susan Peterson, author of *Canadian Directorship Practices: A Critical Self-Examination*, interviewed 50 individuals who serve as outside (non-employee) directors of some 220 of Canada's larger publicly owned companies. They told her that the days of directors who regard their appointments as not much more than pleasing testaments to their wealth or connections, or as signs of acceptance into the inner circle of the business community are waning. There is some evidence that weight given to prestige is weakening and boards are looking for directors with expertise, compatibility and a potential to contribute.

The directors are adamantly opposed to the idea of boards hiring their own professional staff and favour restricting "inside" directors to even fewer seats at the boardroom table.

Boards will have to start meeting more frequently and for longer periods, and some may have to reduce their size in order to be effective. The directors suggested 10 to 12 meetings a year, and anywhere from 10 to 20 members be considered optimum.

Few boards have instituted any system of self-appraisal and several directors feel there is a need for boards to become much more self-conscious about their responsibilities and performance

Executive also-rans

Herbert T. Mines, president of Business Careers, says his executive recruiting firm has identified the seven principal reasons why 234 candidates failed in their bids for 16 corporate presidencies in the last two years. He lists them as inability to "project a special competence" during interviews; a history of frequent job changes without significant advances in salary or responsibility; appearing to be emotional and subjective and failing to project objectivity; over-aggressiveness or verbosity; lack of clarity in expressing views; too much criticism of past employers and poor dress or grooming.

Survey of women executives

A survey of women executives in the United States found that their working hours increased as their salaries rose. Women earning under $20,000 a year averaged 44 hours work a week, those in the $20,000-$39,999 range worked 48 hours a week and those earning

0,000 and over averaged 57 urs a week.

e consultant firm of Heidrick d Struggles surveyed 325 omen officers of the leading 00 industrial organizations and e 50 leading non-industrial ganizations in the U.S. Fifty per nt of the women were corporate cretaries or assistant secre- ies, and two thirds had risen m clerical positions.

e typical woman officer was at ast 50 years old, had no univer- y degree and earned under 0,000 a year. In contrast, the erage male officer was in his s, was a university graduate and rned $50,000 or more.

owever, a survey by *Business eek* found that although women ecutives' salaries, on average, e about 25 per cent lower than ose of men in comparable jobs, cent graduates of business hools and young managers with veral years experience have hieved pay parity with their male unterparts. Women executives no started their careers more an 7 to 10 years ago, when lower y was traditional, still lag far hind, *Business Week* reports.

EGISLATION

bour code amended

arliament has passed major nendments to the Canada Labour ode which extend to unorganized orkers and managerial employees me benefits now available only collective agreements.

e amendments, which affect ore than 500,000 employees in derally regulated industries and rvices, provide for joint nployer-employee safety committees in workplaces and give employees the right to refuse work under conditions which they consider to "pose imminent personal danger." They also eliminate pregnancy as a cause for layoff or dismissal, provide employees with basic job protection during extended periods of sickness, add Boxing Day to make a total of nine statutory holidays, and extend protection against unjust firing, with the right to appeal, except in the case of management employees.

The amendments also aim at improving collective bargaining and grievance arbitration procedures, and give the Canada Labour Relations Board more discretion to order representation votes. They also attempt to remove "administrative obstacles" to certification of councils of trade unions so as to facilitate broader-based bargaining unions.

Social audits

Legislation on "bilan social" — or social balance sheets — approved by France's National Assembly last June, is in effect this year. By January 1979, companies with 750 employees or more will be required to publish information on salary levels, other wage costs, safety, training and general conditions of employment, all supported by statistical data. Both works councils and the unions are to see drafts of the social balance sheets, and may demand changes. The finalized balance sheets go to the local labour ministry inspectors, the shareholders and the employees and are to include the works councils' comments. In 1982, the legislation will extend to companies employing 300 persons.

West German dismissal law

The West German government has taken a major step toward adapting its legislation to meet guidelines on dismissals laid down by the European Community. A draft law, passed by the government and published by the Deutscher Bundestag (the German Federal Parliament) would make it compulsory for companies to inform the employment office if they intend to dismiss a specific number of employees, and to consult works councils well in advance to try to avoid, or at least limit, dismissals. Companies with between 20 and 60 employees would be forced to register planned dismissals of more than five persons, and companies with between 60 and 500 employees would be required to take these actions if they planned 25 or more dismissals.

EMPLOYEE EARNINGS

Disparity grows

The poorest workers have a tendency to become impoverished over the years while the wealthiest workers become even wealthier, according to a report from the Centre des Services Sociaux du Montréal Métropolitain.

The analysis of 1974 statistics gathered from 1,539 Montrealers shows that workers in factory and manual service jobs averaged the same or less real income in 1974 than in 1955. Those who took in less than $100 a week in 1974 found themselves with 25.6 per cent fewer real dollars than they had in 1965. Those who earned from $100 to $199 a week in 1974 were earning about the same as they had a decade earlier.

The study concludes that low-wage earners work under worse conditions than the higher-paid and end up with more health problems. According to the report,

75 per cent of those on unemployment and welfare had previously worked in jobs which offered relatively the poorest working conditions. The workers, whose average age is 40 were reduced to welfare and unemployment because "their labour power was sapped."

EMPLOYEE COMPENSATION

Supervisors' overtime

Some supervisors resent the fact that, while they do not receive premium rates for overtime worked, their subordinates who do, sometimes earn more than the supervisors. This is one of the findings of a 744-company survey conducted by Joseph Tajonar, associate director of the American Management Associations (AMA). Tajonar found that only one-half the companies give supervisors extra pay for hours worked in excess of their regular work week, and that in most cases the rates are less than the time-and-one-half paid to their subordinates who are members of collective bargaining units. Many provide supervisors with other benefits such as time off for personal business, a company car, free parking, better health and insurance plans, and longer vacations.

INDUSTRIAL RELATIONS

Commission to study broader-based bargaining

The Canada Department of Labour has established an inquiry commission to study the advantages and disadvantages of wider-based bargaining in the federal jurisdiction, particularly in transportation, grain handling and communication. Its members are Professor Frances Bairstow, director of McGill University's Industrial Relations Centre; William Mahoney, a member of the Canada Labour Relations Council and former national director in Canada of the United Steelworkers of America, and Murrey Dubinskey, president of Administrative Consultants Ltd., Calgary, an experienced negotiator, mediator and arbitrator.

THE WORKPLACE

VW's innovations boost productivity

Basic changes in both employee compensation and work organization have reduced absenteeism and boosted productivity at Volkswagen auto repair shops in Stockholm, Sweden. The changes were initiated in 1970 at the company's repair facility in Bolidenplan, which had shown an annual turnover rate of 60 per cent a year for its shop mechanics. By the Spring of 1975, they had been adopted by all 14 shops in the area.

The mechanics previously had been paid an individual piece rate, but this was changed to a monthly salary coupled with a productivity-based bonus split equally among all employees of an individual facility. The bonus was based on the sales value of approved work, sale of spare parts and accessories, and labour productivity during the previous month. The salary factor now works out to about 75 per cent of workers' total pay.

Work was distributed among four independent repair teams operating more or less autonomously as small work shops within a larger group. This changed the role of the foreman who now became the manager of a small working team. While the other 13 shops have adopted the compensation plan initiated at the Bolidenplan shop, some have had to moderate the work organizational aspects according to their particular needs.

The employee turnover rate at Bolidenplan has dropped from above 60 per cent annually to 10 per cent in five years, while the rate for all 14 facilities has declined from 50 per cent to 30 per cent. Employees have more opportunities to communicate with one another and with management and both productivity and profits have increased as a result.

Nurses' prime concerns

Issues of professional concern such as education and workload may be more frequent matters for nurses' collective bargaining than in the past, an Ontario study suggests. Dr. Allen Ponak, now a member of the Faculty of Commerce at the University of British Columbia, surveyed 500 nurses in Ottawa, asking how they rated 13 goals in relative importance. The list included both "professional" concerns and traditional bargaining objectives such as salaries, fringe benefits and hours of work. The goal most frequently ranked first was improved hospital in-service education for nurses, while salary increases most frequently were ranked last...The survey also found that the more a nurse is involved in union activity the more likely he or she is to perceive professional goals as important.

Policy priority in W. Germany

A Federal Republic of Germany social report shows that one of every nine workers is not satisfied

ith conditions at work. Partly killed and unskilled workers riticized the hectic atmosphere, ressure of time, disturbing nvironment factors such as dirt, ust and bad air. They placed much mphasis on work content — ariety, fulfillment, prestige and rospects for advancement.

recent years, humanization of orking life has evolved into a ain priority of social policy in ermany. Protection against acci- ents and occupational disease, daption of apparatus, tools and achines to the individual, reduc- on of negative environmental fluences, efforts to remove hysical and physic stresses, and eform of work organization to romote employee sharing are all he basis of major pieces of gislation and research.

esearchers are studying the ffects of shift and night work and he elimination of heavy work and onotonous short-cycle work. mployers are obliged to employ afety engineers and company octors trained in industrial edicine. In two major companies, he conveyor belt has been either ompletely or partially abolished in avor of workplaces.

WORKING TIME

ancouver police prefer our-day week

recent poll found all 40 members f West Vancouver's police patrol ivision in favour of the four-day eek, 12-hour shift schedule intro- uced as an experiment in the pring of 1977. The police officers ork shifts that change at 7 a.m. and 7 p.m. The normal cycle is two nights, 24 hours off, two days, four days off. The police officers found this less disruptive to sleep and family life than their previous eight-hour shifts based on a five-day week under which they sometimes had to work seven consecutive days. Four-day work weeks have also been used experimentally by police forces in Calgary and Laval, Quebec. The Montreal Urban Community and its police union have reached agreement on a modified four-day week schedule to go into effect Sept. 24, 1978.

PRODUCTIVITY

U.S. and Canadian accountants compared

Canadian chartered accountants may be less productive than those in the United States, according to a recent address by Gordon H. Cowperthwaite, president of the Canadian Institute of Chartered Accountants. He told the Vancouver Board of Trade he has reason to believe that the output of the average Canadian chartered accountant is as much as 20 per cent below "that of our certified public accountant colleagues" in the U.S. Yet Canadian chartered accountants want similar compensation for their work. He said one reason for lower Canadian productivity is more time off in this country. Another is the complexity of some of the work required in Canada, especially the "convoluted and complicated" provisions of the Income Tax Act. He said Statistics Canada needs 76 pages of fine type to list "just the names of our principal taxes."

INDUSTRIAL DEMOCRACY

UK post office experiment

Britain's post office has launched a two-year experiment in industrial democracy, with a 19-member board of directors made up of seven directors representing unions, seven representing management and five "independent" directors, two of whom represent consumers.

EEC moves toward unified approach

Both employer and trade union representatives in the European Economic Community (EEC) have given approval to the principle of worker participation in the Community based upon discussion of the Commission's Green Paper of 1975.

The representatives voted unanimously in favour of two measures they considered should be included in any future Community directive. There should be the introduction of the two-tier board system as an option where it is not available at present. A special body for employee representation with minimum information and consulting rights should be established in large companies where there is no employee representation at board level.

The EEC has been waiting for the representatives' opinion of the Green Paper prior to proposing any new initiatives on participation, which is the key element in plans to establish a common system of company law within the Community. lg

Discrimination in employment: legal approaches are limited

by Harish C. Jain

The anti-discrimination aspects of the new Canadian Human Rights Act are a substantial achievement in both the equal-employment and equal-pay areas. The provisions of the Act reflect some of the best features of the relevant U.S. and British legislation.

Under the Canadian Act, the prohibited grounds for discrimination in employment include race, national or ethnic origin, colour, religion, age, sex or marital status, conviction for an offence for which a pardon has been granted, and discriminatory employment practices based on physical handicap.

The federal government restricted efforts to extend the grounds of prohibited discrimination to such matters as mental handicap, sexual orientation and political affiliation. The last ground (political opinion or belief) exists in the case of the human rights legislation of several provinces. The theory was to avoid overburdening the Canadian Human Rights Commission in its initial activities.

Unlike the U.S. and the provincial laws in Canada, which require equal pay for equal work, the federal legislation requires equal pay for work of *equal value* (consistent with ILO Convention 100), without discrimination on the basis of sex.

The federal Act also includes the provision against indirect discrimination borrowed from U.S. case law and British anti-discrimination

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legislation. This provision was urged by the Canadian Advisory Council on the Status of Women. The Council, citing the British legislation, suggested that accidental (indirect) discrimination occurs when an employment requirement or condition, though applied equally to males and females, is such that the proportion of women who can comply with it is considerably smaller than the proportion of men, and vice versa, such as the minimum height or weight requirement which would prevent most women from obtaining that type of employment. Originally, the concept of indirect discrimination was articulated by the U.S. Supreme Court in the *Griggs v. Duke Power Company* case in 1971. In this case, the Court struck down employment tests and educational requirements that screened out a greater proportion of blacks than whites because the tests were not related to the jobs in question.

Unlike the U.S. and the provincial laws in Canada, which require equal pay for equal work, the federal legislation requires equal pay for work of equal value

The Canadian Human Rights Commission (CHRC), unlike provincial commissions which report to a minister, will report directly to Parliament. It will be able to investigate complaints about discrimination as well as to initiate complaints on its own. The intention is to solve problems of discrimination in a conciliatory fashion with recourse to a Human Rights Tribunal. A decision of the Tribunal can be appealed in the federal courts.

This paper describes and analyzes the provision of affirmative-action programs in federal legislation and compares Canadian and U.S. legislation, evaluates — where possible — their effectiveness, and draws their implications for Canada.

One of the important features of the federal Act is its provision of affirmative-action programs borrowed directly from pertinent U.S. legislation. Affirmative action is a deliberate, structured approach to improving work opportunities for minority groups and women. This approach involves a series of positive steps undertaken by employers to remove barriers to employment and to achieve measurable improvement in recruiting, hiring, training and promoting qualified workers who have in the past been denied access to certain jobs.

Several provincial laws also allow for special or affirmative-action programs, which promote the interests of minorities and provide training for women, native people

"This is a democratic firm, Hazel — they mistreat everyone without regard to race, creed, color or sex"

nd others, in order to increase he supply of qualified minority nd women workers.

he CHRC is authorized to encourge affirmative-action programs, to ive out information about them, o promote their use and to "make lear legal rulings as to their egality and determine that they re not discriminatory programs in hemselves," according to Ron Basford, Minister of Justice and Attorney General of Canada. In ddition, Basford stated, the Commission could give approval of n affirmative-action program in dvance and that approval is inding.

f there is actual proof of discrimination, the Human Rights Tribunal can order an affirmativection program. Otherwise, the rograms are intended to be voluary and on the initiative of employers.

Affirmative-action programs have existed for some time in the United States, but Canadian experience with these programs is of recent vintage. It might be useful to examine the American experience with these programs in order to draw their implications for Canada and to avoid repeating the

The intention is to solve problems of discrimination in a conciliatory fashion with recourse to a Human Rights Tribunal

mistakes of that country. In the United States, Title VII of the Civil Rights Act of 1964, as amended in 1972, prohibits discrimination in employment because of colour, religion, sex, or national origin among other grounds. Title VII applies to employers, unions, employment agencies and joint labour-management committees controlling apprenticeship or other training programs. It is administered by the Equal Employment Opportunity Commission (EEOC).

In addition to Title VII of the Civil Rights Act, Presidential Executive Orders also prohibit discrimination in employment. The term *affirmative action* was first used in the Executive Orders, for instance, Order No. 10925 issued by President Kennedy.

The Executive Orders require affirmative action on the part of federal contractors and federally assisted construction contractors. These Orders are administered by the Office of Federal Contract Compliance (OFCC). The requirement to take affirmative action, involving contractors with 50 or more employees and a contract of $50,000 or more, means the setting of goals and timetables for minority employment in job categories where women and minorities have been under-utilized.

The guidelines issued by the Department of Labor on December 4, 1971 state: "An acceptable affirmative-action program must include an analysis of areas within which the contractor is deficient in the utilization of minority groups and women, and further, goals and timetables to which the contractor's good faith efforts must be directed to correct the deficiencies and, thus to increase materially the utilization of minorities and women, at all levels in all segments of his work force where deficiencies exist." Furthermore, the guidelines state that under-utilization is defined as "having fewer minorities or women in a particular job classification than would reasonably be expected by their availability..." (41, C.F.R., 60-2.11.)

The numerical goals, according to

the U.S. Department of Labor, where the OFCC is located, should be significant, measurable, attainable, and specific for planned results; failure to develop and implement an acceptable affirmative-action program within a specified time could result in the cancellation or termination of existing contracts. It is estimated that at least a third of the U.S. work force is employed in enterprises involved in some way with government contracts.

Apart from the requirements under Executive Orders, employers may become involved with affirmative-action programs in any of the following ways:

- An employer may voluntarily develop a plan.

- An employer may undertake a plan as part of a conciliation agreement with a federal agency (such as the EEOC), or with a state enforcement agency, or as part of a private settlement of a suit or a charge.

- Courts may impose an affirmative-action plan including numerical goals, as a remedy for discrimination when conciliation or attempts at out-of-court settlements fail.

In enforcing the anti-discrimination legislation, the courts can and have provided for drastic remedies, including back pay, hiring quotas, reinstatement of employees, abolition of testing programs, creation of special recruitment or training programs, and other measures.

Thus, federally required programs of affirmative action, involving job quotas that favour minorities, have made minority hiring, training and promotion explicit goals of major corporations. Consent decrees (i.e., out-of-court settlements granted judicial approval and protection by courts) have been made by private companies. One such firm is the American Telephone and Telegraph Company (AT&T). The AT&T settlement was the largest ever made in the U.S., and it was negotiated and signed by the company, the OFCC and the EEOC. It covers all AT&T's 24 operating companies and 700 establishments within the Bell system. It is a landmark case since it demonstrates what an affirmative action program via court settlement actually means in terms of statistical goals and timetables for a large private employer (with 771,000 people), and the largest employer of women — 401,000 or 52 per cent of AT&T's work force.

The federal and provincial human rights legislation stresses the voluntary aspects of affirmative-action programs

Prior to the settlement, the vast majority of employees at AT&T worked in sex-segregated job classifications. For example, in the Bell system, males constituted 98.6 per cent of all AT&T craft workers on December 31, 1971, while 96.6 per cent of all office and clerical employees were women. After two years of public hearings and negotiations, the settlement of 1973 included an undertaking by the company to make immediate lump sum back payments amounting to $38 million to 13,000 women and 2,000 men who claimed to be victims of discrimination, and $23 million in immediate pay increases to 36,000 employees because of allegations of prior discrimination (the company did not admit to any discrimination in agreeing to the settlement) in job placement. In addition, AT&T agreed to future wage increases expected to amount to $200 million for the six-year decree, ending in 1979. Specific remedial steps for upgrading all qualified college-trained women were also included.

The unions attacked AT&T's 1973 consent decree on the ground that the decree's "affirmative action override,"* conflicted with provisions in their collective agreements with the company concerning competitive seniority in transfer and promotion. The U.S. Court of Appeals for the Third Circuit rejected this contention, as well as the union's arguments that the decree is inconsistent with Title VII and the Due Process Clause of the Fifth Amendment. The unions will probably appeal to the U.S. Supreme Court.

AT&T has been able to meet most of its numerical targets by aggressive recruitment, training, and development of women and minorities and by holding managers accountable "for meeting EEO (equal employment opportunity) goals and for giving equal weight to EEO as to other business objectives" *(World of Work Report,* May 1977).

In fact, quotas have become commonplace in court orders or court-sanctioned consent decrees, such as the AT&T settlement. While employers can only set goals and not adopt a quota system of hiring women and minorities as a method of satisfying affirmative-action plans, a court can order a company to adopt a quota system. Goals are voluntary while quotas are mandatory. Moreover, courts have ordered companies to give women and minority employees seniority credit for the time they have been discriminatorily denied employment. For instance, in one case

*This allows the company to override a candidate with greater seniority and higher qualifications and to promote a basically qualified person in order to meet annual targets on the way to attaining a long-range goal.

ranks v. Bowman Transportation ompany), the Supreme Court eclared that applicants, who were ubsequently hired, should be ven retroactive seniority, back to e date of their application for ork.

nese actions by the courts and e enforcement agencies have led me critics to charge that affir- ative-action programs in the nited States have either led to or ave the potential for reverse scrimination against white ales. For instance, according to report in *Business Week,* July 25, 977, "the tide of public sentiment eems to be turning against ggressive affirmative-action rograms on the ground that they ad to reverse discrimination."

ne most serious charge levelled gainst affirmative-action rograms is that of preferential eatment of minorities and omen. It is claimed, for instance, at in their eagerness to fill stablished quotas, companies ave hired unqualified persons ithin the specified women and inorities groups. The recent case of *Bakke v. University of California* before the Supreme Court of the United States is expected to test this issue. In this case the Court is expected to decide whether a white male medical school applicant suffers a violation of his rights if he is kept out under a preferential system for minorities. Bakke has charged that he would have been admitted had there not been a special committee dealing with the admission of minority students — students who were less qualified, he argued, than he was. Since this case does not involve Title VII of the Civil Rights Act, the decision by the Supreme Court may have limited impact in the areas of employment and affirmative action.

Other objections include the cost of mounting an affirmative-action program, the unions' dissatisfaction with the court-ordered and the EEOC and the OFCC negotiated affirmative-action override of collectively bargained seniority rights, and "the creation of fixed ethnic-racial categories, the danger of freezing them, and the danger of their spreading," according to Nathan Glazer in his book *Affirmative Discrimination: Ethnic Inequality and Public Policy.*

Government agencies and others in favour of affirmative-action programs have defended them on the grounds of (a) "institutional racism," since the requirement of a high school diploma, or a grade in a test is often unrelated to the job and disproportionately affects blacks and other minorities; and (b) past discrimination. They contend that: (1) the aim of numerical goals is not punitive and employers are not required to fire anyone; (2) goals do not constitute preference when undertaken to remedy past discriminatory practices; (3) they (goals) do not require employers to give preferences to minorities and women. Instead, they require employers to end giving preference to majority (white) males; and (4) the obligation to meet the numerical goal is not absolute. The employer must be able to demonstrate (when unable to meet the goal) good faith efforts to recruit minorities and women; that job criteria were job related; and that the criteria were equally applied to all workers.

The current controversy in the United States over the use of quotas as opposed to the more flexible numerical goals can assist Canadian policy-makers, both at the federal and the provincial level, in avoiding the mistakes made in the United States and in drawing some lessons for Canada.

Federal and provincial human rights legislation stresses the voluntary aspects of affirmative-action programs. In other words, employers in the public and private sectors are encouraged to set up goals voluntarily in order to recruit, train and promote women and minorities. The federal Act makes a provision for a mandatory

"The usual rules, girls? Ace, queen, king, jack . . ."

CAMROSE LUTHERAN COLLEGE

affirmative-action program to be ordered by a Tribunal only if there is actual proof of discrimination. The Charter of the French Language (Bill 101) enacted in Quebec is the only legislation in Canada that comes close to requiring mandatory affirmative action on the part of employers via its requirements of francization certificates.

In the provinces, the mandatory affirmative-action programs have been used rarely and only in cases where the employer's discriminatory actions have been blatant. In such cases, affirmative-action programs have been used as only one of the several remedies. This is because the Human Rights Commissions in Canada have concentrated on conciliation and on effectuating a satisfactory settlement.

There is some evidence that the voluntary approach to affirmative-action programs is encouraging at least some employers to establish special programs to provide and accelerate training and promotional opportunities for women. These employers include the federal and Ontario governments, and several large Canadian business organizations such as the Royal Bank of Canada, Canadian National and Bell Canada. The Women's Bureau in Ontario has been providing consultative services to employers.

Despite these voluntary programs, some critics have charged that the majority of Canadian organizations have taken little or no affirmative action for women. In an article entitled, "Affirmative action: a sadly passive event," for instance, Joy Moore and Frank Laverty have criticized the human rights legislation in Canada for its insufficient clout in stimulating affirmative-action programs. They go on to comment that unless corporations take positive action, "we expect more explicit legislation which will lead to increased sex bias complaints, legal suits, fines, compensatory settlements and forced rather than suggested affirmative-action programs." (*Business Quarterly,* Autumn 1976.)

In our opinion, legal remedies are only a partial answer to eliminating institutional discrimination in employment; legislation is necessary but not sufficient. For instance, empirical studies suggest that the employment effects of affirmative-action programs in the U.S. were positive but quantitatively small and that the effect in terms of relative occupational position was negligible.

Employers should be eligible to seek government funding to cover a substantial portion of the wages and salaries of women and minority employees in a systematic career-development program

Legal approaches are limited because they operate only on the demand side of the problem (i.e., institutional or employer side) and do little to change supply. For instance, consider the assertion of an EEOC case "...it is absolutely clear that blacks are not randomly distributed in all jobs." The case goes on to assert, "...a substantial underrepresentation of women or minorities in certain job categories manifestly cannot be attributed to their lack of skill. In the absence of discrimination, one would expect a nearly random distribution of women and minorities in all jobs." This is an oversimplification, to say the least, since it assumes a ready supply of qualified women and minorities and implies that equality of opportunity is the same thing as equality of representation. Education and training of minorities and women for professional and managerial jobs require lead time. Thus, the lowering of racial and sexual barriers does not in itself ensure a supply of qualified people to take advantage of new opportunities. While employers, unions and other institutions can be compelled to stop discrimination against minorities and women, they cannot be compelled to recruit them actively or to train them. This is true despite the monumental legal efforts in the United States. The evolution of law and legal principles is a slow process; the case-by-case approach adopted thus far in Canada and the U.S. (in seniority cases, for example) illustrates this point.

Certain conclusions can be drawn from this discussion. These are:

1. The Department of Employment and Immigration should review its manpower training programs with a view to funding training in industry for women and minorities.

2. Employers should be encouraged to develop affirmative-action programs with active consultative assistance and guidelines from federal and provincial human rights commissions and other relevant agencies such as Women's Bureaus.

3. Employers should be eligible to seek government funding to cover a substantial portion of the wages and salaries of women and minority employees in a systematic career-development program.

4. Language training and other types of assistance should be extended by human rights commissions to immigrants and others who may and do suffer exploitation in terms of wages and working conditions. lg

Ontario Ministry of Labour Conference

Equal pay and equal opportunity — Part 2*

By Christine Fisher

One minor but intriguing aspect of this international conference on equal pay and equal opportunity** was the way in which the speakers reflected the national image of their countries. Britain's Baroness Seear, *une femme d'un certain âge*, appeared aristocratic and gracious, with a whimsical sense of humour, beneath which lay an uncompromising foundation of common sense, and a firm grasp of the problems. Of the Americans, Donald Elisburg was brisk, concise, urbane and optimistic; Susie Jenkins, a former national vice-president of the National Council of Negro Women, was earnest and obviously deeply committed, although less optimistic than her colleague. The Canadian speakers, who were generally younger than their British and American counterparts, were intelligent, well-informed, and seemed determined to find a compromise between Britain's somewhat nonchalant attitude and America's battering-ram approach toward equality in the work force.

Reporting on the development and implementation of the Equal Pay Act of 1968, Donald Elisburg, assistant secretary for employment standards with the U.S. Department of Labor, told delegates that the Equal Pay Act prohibits covered employers from paying employees "of one sex at a rate below that paid to employees of the other sex for equal work on jobs requiring equal skill, effort and responsibility which are performed under similar working conditions. Employers paying an illegal wage-rate differential are prohibited from reducing the wages of any employee to achieve compliance. Exceptions are permitted where differentials are due to application of a bona fide seniority system, merit system, or system which measures earnings by quality or quantity of production, or any other factor other than sex. However, if the wage differentials are in any way based on sex, they are illegal and cannot be legitimized by these exceptions."

"...litigation has been an extremely important aspect of implementing the equal-pay principle"

When passed in 1963, the equal-pay provision affected 30 million non-supervisory workers in a variety of industries. These included manufacturing, transportation, public utilities, communications, insurance, finance and real estate, wholesale trade, and, to some extent retailing and services. Subsequently, amendments have extended equal-pay coverage to substantial numbers of workers.

"As a result of Fair Labor Standards Act amendments in 1966 and 1974," Elisburg said, "equal-pay coverage was extended to a number of areas in which the employment of women is concentrated.

"In 1966, about nine million workers were affected in schools, hospitals, nursing homes, laundries, dry cleaning establishments, retail trade, and on large farms.

"In 1974, coverage was extended to public employees at the state and local levels, as well as the federal. Also, in 1972, a provision in education legislation extended equal-pay coverage to approximately 14 million additional employees — primarily professional, administrative, and executive employees — who are exempted from the minimum wage and overtime provisions of the Fair Labor Standards Act. This action is especially important for assuring that promotional opportunities for women are accompanied by equal pay.

"As a result of these extensions in equal-pay coverage and growth in our economy, there are now more than 75 million workers covered by federal equal pay protection in the United States."

Because equal pay protection was linked to the Fair Labor Standards Act as an amendment to the section which sets minimum wage requirements, much litigation was avoided by the use of established FLSA definitions. Also, the use of labour department personnel already experienced in investigating pay practices eliminated the

*Part I appeared in the June 1978 number of *The Labour Gazette*.

**The conference, sponsored by the Women's Bureau of the Ontario Ministry of Labour, was held last January in Toronto.

cost of setting up a new administrative agency and assured a degree of acceptance by employers.

Elisburg explained how the law is enforced: "Either upon receipt of a specific complaint from an individual or as part of a general wage-hour investigation, the Labor Department's wage-hour compliance officers have broad investigative authority to examine employers' records, and to interview employees. If an equal-pay violation is discovered, the employer is requested to eliminate the discriminatory practice by raising the lower wage of the aggrieved sex to the higher wage of the opposite sex and also to pay back wages computed to be due.

...the gap between men's median earnings and women's has grown... due largely to the continuing predominance of women in low-paid occupations

"In the majority of cases the employer complies voluntarily when violation of the Equal Pay Act is brought to his attention. When he does not, the matter is transmitted to the appropriate regional solicitor of the Labor Department if the case is suitable for litigation. The solicitor then may seek remedial action through the courts. He or she can sue — on behalf of the Secretary of Labor — to obtain compliance and recover the back wages due the employees. The solicitor may also seek liquidated damages in the amount of back wages due.

"The individual employee who feels himself or herself aggrieved also has the right to sue the employer for back pay and an additional sum, up to the amount of back pay, as damages, plus attorney's fees and court costs.

...charges of reverse discrimination, usually made by white males...hamper the progress of voluntary compliance...

This right, however, is terminated if the Department institutes a suit involving the employee."

How have American workers responded to the legislation? According to Elisburg, "since 1963 there have been thousands of complaints alleging violations of the Equal Pay Act, and investigations have disclosed more than $150 million in wage underpayments in violation of the equal pay provisions of the FLSA, involving approximately 260,000 employees. During the 1977 fiscal year alone, the Department of Labor contended that almost $16 million was owed to more than 19,000 employees because of equal-pay violations, and $7 million was actually restored to about 13,000 workers.

"The fact that the total amount recovered by the Department is less than the amount contended due to employees is largely because of disagreements between the Department of Labor and employers as to whether violations have occurred as well as to the amounts due because of such violations, and the courts have not always accepted the Department's view of what constitutes "equal" work and how much money is due. Nevertheless, the Department has generally been successful in persuading the courts to adopt its view of the law in the approximately 1,000 equal-pay cases filed since the Act went into effect in 1964. This litigation has been extremely important in building a body of law which — once established — facilitates voluntary compliance. Extensions of coverage and the fact that lawyers continuously devise novel defenses continue to make litigation an important aspect of implementing the equal-pay principle."

One case of particular interest, that of the *Wheaton Glass Company*, established several very important legal principles which have been followed by other courts in the many decisions that have been handed down since 1970:

- The "equal work" standard requires only that the compared jobs be "substantially equal," not identical. Small differences in job content will not make jobs unequal.

- Once the Secretary of Labor (or a private plaintiff in a private suit) has shown that a wage differential exists between men and women doing substantially equal work, the burden falls on the employer to prove, if he can, that the differential is explained by some factor other than sex.

- Where some but not all of the members of one sex perform significant extra duties in their jobs, these extra duties do not justify giving all members of that sex a higher wage. Only those employees performing the extra duties are entitled to the higher wage.

- The fact that most men may be able to perform some heavy lifting or other duties that women are deemed unable to perform is in itself not of such economic value that it would be a "factor other than sex" which would justify a higher male wage rate. In order to justify a higher male rate, the employer must prove the alleged advantage in specific dollar and cents terms, and the extra duties must have been offered to women on the same terms as the men.

An employer's classifications and job descriptions are totally irrelevant to showing that work is unequal unless they accurately reflect actual job content.

Elisburg gave several examples of how the courts have defined equality in terms of skill, effort and responsibility. One involved the popular claim that men warrant higher pay because they do heavy lifting. In a case involving the *American Can Company*, Elisburg said, "The male machine operators' duties were virtually identical to the female operators' duties for 93 to 98 per cent of the males' work time. The men, but not the women, moved heavy rolls of paper a few feet and then loaded them onto machines either manually or mechanically. Because of the infrequency of that exertion, the U.S. Court of Appeals in Saint-Louis ruled that the men's handling and loading functions did not involve substantially additional effort. Moreover, the court buttressed its opinion by pointing out that, although the male operators exerted varying degrees of physical effort, no wage differential existed among them."

"...the entire explanation for women's labour force patterns cannot be found in the form of barriers in the labour force alone"

In another significant case, the court ruled that the mental concentration required of women operating potentially dangerous high-speed machines was equal in terms of "effort" to the heavy lifting required of men in the same plant.

Employers sometimes go to ridiculous lengths to justify unequal pay practices, Elisburg said, citing the successful case of a woman teacher who was paid less to coach a softball team than a male colleague who coached the hardball team.

He reported that, as in Britain and Canada, the gap between men's median earnings and women's has grown in the U.S., due largely to the continuing predominance of women in low-paid occupations, and also to the fact that many women are new entrants, or re-entrants, to the work force and therefore start on the bottom rung of the wage ladder. This situation, he added, could be effectively remedied by equal opportunities legislation. Elisburg also made reference to two important pieces of legislation that have been co-ordinated with the Equal Pay Act, namely:

1. Title VII of the Civil Rights Act of 1964, prohibiting discrimination in employment on the basis of sex, race, colour, religion and national origin; and
2. the Federal Executive Order 11246 (1965) which prohibits discrimination in employment on federal contracts and requires affirmative action to assure non-discrimination.

"An important example of co-ordination in the application of these three legal tools for combating sex discrimination involved the American Telephone and Telegraph Company (AT&T)," Elisburg reported. "Equal-pay violations were disclosed by wage-hour investigations which resulted in payment of approximately $24 million in back wages to managerial and non-supervisory employees of AT&T.

"A great deal of progress has indeed been made toward eradicating discriminatory pay practices,"

Elisburg concluded, "and we at the U.S. Department of Labor are fully committed to continuing progress toward this goal."

With his brief description of the U.S. equal opportunities legislation, Elisburg paved the way for the next speaker, Mrs. Issie Jenkins, Deputy General Counsel with the American Equal Employment Opportunity Commission (EEOC).

Jenkins explained that Title VII of the Civil Rights Act of 1964 is administered by the EEOC, an independent agency which was given sole responsibility for the elimination of employment discrimination.

From 1964 to 1972, the EEOC had no enforcement authority, but it issued a number of important guidelines concerning discrimination on the basis of sex, religion, national origin and employee selection procedures (commonly referred to as the Testing Guidelines).

The Sex Guidelines define when sex may be a bona fide occupational qualification (BFOQ), proscribe separate lines of progress and seniority systems for males and females, prohibit discrimination against married women, prohibit sex-segregated advertising for job opportunities, prohibit unequal treatment in fringe benefits based on sex, as well as covering employment policies relating to pregnancy and childbirth.

The Testing Guidelines, issued in 1970, cover the use of tests in making employment decisions and define "test" as any performance measure used as a basis for an employment decision. Significantly, these guidelines proscribe the use of any test which adversely affects hiring, promotions, transfers, or any other employment opportunity of classes protected by Title VII unless the test has been validated, evidences a high degree of utility, and the person using the results of the test can demonstrate that suitable alternative hiring, promotion, or transfer procedures are unavailable.

"...continuous pressure from organized groups has acted as a main driving force behind the U.S. Department of Labor's efforts to enforce equal pay"

Title VII of the Civil Rights Act also gave the EEOC authority to require that certain employment records be kept in order to assist the Commission in assessing when possible discriminatory employment systems exist, where protected groups are under-utilized, and to provide data for use by the Commission in all its programs to eliminate employment discrimination.

Between 1964 and 1972, three important legal concepts of employment discrimination were developed:

1) Discrimination through disparate treatment, where similarly situated employees are treated differently under circumstances in which there is no adequate non-racial or non-sexual explanation for the treatment. Common examples of this are different treatment of men and women with respect to fringe benefits, and unequal discipline for similar offences.

2) Discrimination based on the perpetuation of the effects of past discrimination. For example, in the case of *Quarles vs. Phillip Morris, Inc.* it was held that a seniority system and a transfer system were discriminatory and in violation of Title VII if they locked previously discriminated-against minorities and women into inferior positions into which they were originally placed as a result of discrimination.

3) Discrimination by adverse impact of selection methods. In the case of *Griggs vs. Duke Power Company*, the Supreme Court held that if a test has a substantial adverse impact on minorities and women, and is not job-related or required by business necessity, it is considered a violation of Title VII. The employer must be able to demonstrate that the test is job-related. Good intent or absence of discriminatory intent are irrelevant.

In 1972, Jenkins explained, the Human Rights Act was amended to give the EEOC authority to file law suits against private employers, employment agencies and unions when conciliation efforts failed.

The Commission's first resounding success came with the case of AT&T, described by Elisburg. A further major settlement was arrived at with the United Steelworkers of America in the form of two consent decrees obtained in April 1974. The decrees provided for full utilization of blacks, Spanish-named Americans, females and long-time service, production and maintenance workers of the industry by increasing their promotional transfer opportunities; for backpay of $31 million to certain incumbent minorities and female employees; and for placing females in certain management positions.

Jenkins said, however, that difficulties arise from charges of reverse discrimination usually made by white males who feel that their opportunities have been affected by the employer's efforts to improve the opportunities of minorities and women. These charges hamper the progress of

luntary compliance, one of the sic premises of Title VII.

urther difficulties have been esented by the enormous crease in the Commission's ork: in 1966, the EEOC received 700 charges of discrimination d operated on a budget of $3.5 illion. Its inventory of charges at e end of the fiscal year 1966 was 300. In 1975, the Commission ceived 71,000 charges, operated h a budget of $55 million, and ad a charge inventory at the end f the fiscal year of 108,000 harges, the average age of which as two or more years.

ut Jenkins seemed confident that nder the direction of its new hairman, Eleanor Holmes Norton, ho was appointed in June 1977, e EEOC would go a long way ward resolving these problems. he new Guidelines on Affirmative ction, for example, "make it clear hat employers who do comply ith Title VII voluntarily will be rotected to the greatest extent ossible from liability by those ho may oppose or misconstrue uch action." The new Chairman as also streamlined the case rocessing system.

wo significant points arose from e question period: first, that ontinuous pressure from orga- ized groups has acted as a main riving force behind the U.S. epartment of Labor's efforts to nforce equal pay; and, second, hat the encouragement of volun- ary affirmative action programs is ssential in preventing an nwieldy backlog of charges of iscriminatory practices in employ- ent.

n the final hours of the confer- nce, Gail Cook, executive vice- resident of the C.D. Howe esearch Institute, and Mary berts, associate professor of law t the University of Toronto,

Difficulties in establishing the standards of skill, effort and responsibility have slowed the enforcement of equal pay in Canada

offered suggestions and guidelines for the future of equal pay and equal opportunities in Canada.

Dr. Cook had been asked to provide a general overview of the position of women in the Canadian labour force, to evaluate the economic impact of their participation, and to comment upon the economic consequences of equal pay and equal opportunity. She pointed out that raw statistics give a misleading impression. Wage differentials between men and women, for example, must be adjusted to account for part-time work, differences in education and seniority, and so on. On this basis, a conservative estimate of the average adjusted differential for 1971 was 10 per cent — a much lower figure than the one usually quoted.

It should be emphasized, Cook said, "that the entire explanation for women's labour force patterns cannot be found in the form of barriers in the labour force alone. Responsibilities in the home and general attitudes in society affect our choices and our constraints, and are reflected in many ways in labour force patterns."

"It is essential to have the best possible legislation and to have it fast," Dr. Cook declared. "We cannot, however, expect the payoff from that legislation to show up immediately in dramatically altered statistics on labour force participation, occupational distribution, or average wage and salary levels."

She said that some commentators assume that unemployed women and young people are secondary workers, economically dependent on husbands and fathers. "Accord-

"Certainly a woman could be president of this firm — all she needs is 200 million dollars"

ingly, the conclusion is drawn that the burden of their being unemployed is less, and we can therefore define away part of the burden represented by an 8.5 per cent unemployment rate. Even more serious is the extension of this argument to suggest that men ought to have priority over women in filling the available jobs."

While it is true that some women are economically dependent on their men, most women work from economic necessity. "We must make up our minds," said Cook. "If jobs are to be held on the basis of one's ability to do the job, then let us use that criterion consistently for men and women. If jobs are to be allocated on the basis of economic necessity, then let us use that criterion for both women and men and not resort to the incorrect generalization that men alone bear the economic responsibilities in the Canada of 1978. Facts, and not assumptions, are required when such basic decisions are being made."

Speculating on the future of equality in employment, Cook said that the devaluation of the dollar suggests that Canada is not competitive in the international market, and that since governments at all levels are under continuing pressure to reduce their increases in spending she foresaw little likelihood of tougher affirmative action programs, or expansion of publicly financed day care facilities.

Although not entirely pessimistic, Cook warned that Canadians must re-adjust their thinking in terms of current economic conditions. We must recognize the constraints, make full use of existing legislation, and put to better use existing allocations of government funds. Economic difficulties should not be allowed to prevent action.

She urged the delegates to focus squarely on the objective, which is, "to achieve equal opportunity for choice and to go beyond to expand the range of effective choices for all Canadians."

The final speaker, Mary Eberts, had hoped to present a picture of the usefulness of Canadian equal pay legislation from the viewpoint of the numbers and rate of success

A second major obstacle to equal-pay enforcement is the traditional machinery of litigation...highly individualistic, lengthy, costly

of cases brought to court. She discovered that some provincial records were simply not available, others were incomplete, and changes in the method of recording such cases made comparisons difficult. She also discovered that the Canada Department of Labour ceased to report any statistics on equal pay complaints after March 31, 1966, while still recording Departmental responsibility for the administration of equal pay provisions.

From the records that were available from British Columbia, Ontario, Nova Scotia and Saskatchewan, Eberts found that few complaints were lodged from the early 1950s until the late 1960s.

"The increased use in the late nineteen sixties," she said, "suggests that the emerging confidence generated by the women's movement may have had a useful corrective effect on the problem."

In Eberts' opinion, difficulties in establishing the standards of skill, effort and responsibility, are among the main reasons for the slow progress of equal-pay enforcement in Canada. She cited the unsuccessful case of *Daisy Morant and The Oshawa Times* to illustrate the difficulty of proving the requisite degree of similarity in all three elements: "In this case, a "Family" editor of a newspaper was found to exercise *more* skill and the same degree of effort as the sports editor, but she was not entitled to equal pay because the sports editor had more responsibility." (From Elisburg's examples of similar complaints one gathers that Daisy Morant would have won her case in the U.S.).

Eberts also noted "the frequency with which the meaning of the statutory standard of 'same', 'similar', or 'substantially similar' has been at issue in cases before boards and courts and the complexity of the exceptions to the equal-pay requirement for factors other than sex that justify the difference in wages.

A second major obstacle to equal-pay enforcement identified by Eberts is the traditional machinery of litigation, which is highly individualistic and places a premium on the economic and emotional resources of the individuals involved. In short, the process is lengthy and costly, and totally unsuited to the needs of a low-paid worker pitted against the vast resources of a large company.

These problems were clearly illustrated in a well-known case in Alberta which ran from April 24, 1973, to January 27, 1976. It involved a complaint by seven female nursing aides who were being paid lower wages than male nursing orderlies doing similar work. "There was no serious contest on the main issue," Eberts said. "The hospital admitted that the work was the same, and that the women were paid less.... The lengthy process was caused by the eventually unsuccessful allegation that the existence of different collective agreements...was a factor other than sex which justified the difference."

"No, she wouldn't be interested in a job. She hasn't worked since we got married."

berts observed that this case was a near classic example of an mployer taking advantage of an mbiguity in the statutory standard nce he has been caught in an pparent breach of the Act." More-ver, restitution was ultimately ade only to the seven complain-nts at a cost of approximately 14,000 to the hospital. The 300 or o other nursing aides employed y the hospital received no back-ay.

berts recommended that legisla-ures adopt measures to make nforcement procedures less engthy, less individualized and ess threatening to the individual.

Governments must accept that he policies they have espoused o involve group exigencies and equire movement beyond an mproved human-rights enforce-ment system based on individual action. Individualized mechanisms are just not enough for the achievement of the social policy goals," she declared.

"Governments must accept that the policies they have espoused...require movement beyond an enforcement system based on individual action..."

Eberts also recommended the provision of a tax deduction for employers performing in accordance with an affirmative-action program approved by government: "The tax deduction would be some recognition of the costs to employers of wide-scale removal of discrimination against women and thus should be available only to those making extensive efforts to remove structural discrimination.... It would also shift the initiative from the individual and the agencies to the employer."

The advantage of such a scheme, she maintained, is that, given appropriate financial incentives, it would be "almost completely self-enforcing."

Finally, Eberts recommended that the presence of males in the same type of job should not be a prerequisite to the operation of equal-value legislation. This would benefit the large groups of women in structurally segregated jobs, she said.

The undeniably gloomy implications of the Canadian papers contrasted sharply with the glowing reports of success from the United States. Many delegates were obviously disturbed by the evidence that Canada has far to go in the field of equal pay and equal opportunities, and the conference broke up in a militant mood. Several delegates demanded to know why none of the employers at the conference had spoken up, and why no representative from the federal government was present.

Chairwoman Kay Sigurjonsson accepted a recommendation proposed by Karen Richardson, a member of the Ontario Committee on the Status of Women, to be presented to the absent Ontario Minister of Labour, Bette Stephenson, immediately on her return from Victoria. The recommendation demanded that the Minister undertake to enforce seriously the existing legislation for equal pay, and that she make clear the Ministry's policy on the concept of equal pay for work of equal value.

The determination of the departing delegates to continue to fight for equality in the workforce was, perhaps, the most productive outcome of what proved to be a very informative conference. lg

The VanPly affair: new directions in worker-management relations

by John Clarke

By virtually all the rules of economics the Vancouver Plywood Division operation of MacMillan Bloedel Ltd. of British Columbia should be closing down. In fact, that is what the company wanted to do and had announced its intention to do. But as a result of an agreement with the International Woodworkers of America union, supported by the B.C. provincial government, it will be kept open.

The decision is expected to have a major impact on labour relations not only in B.C. but throughout Canada generally. It's the first time a large international corporation has been prevented by union intervention from closing a clearly uneconomic operation.

The unilateral right of the management of a corporation to make the economic decisions affecting its operations has been significantly eroded. Other unions will now expect, as their right, to be consulted before the final economic judgments are made.

The VanPly division, after nearly 50 years, is one of the oldest of MacMillan Bloedel's operations. The plant is rundown and the equipment is outdated and discouragingly inefficient.

The market for the high quality sanded plywood it produces has been diminishing and competition from the lower-wage southern United States, together with recent inventory-reduction policies of Scandinavian countries, has made it quite uneconomic for VanPly to keep going. It has been losing money at the rate of $3 million a year.

But the closure would have meant the loss of 700 jobs, according to company figures, or nearly 1,000, according to the IWA. It also would have sent shock waves through the entire logging industry.

The Truck Loggers' Association, made up primarily of independent logging companies, called the VanPly affair the tip of the iceberg. TLA president Dave O'Connor said: "VanPly is only part of the story of near bankruptcy of MacMillan Bloedel's coastal operations in logging lumber, plywood and shingles. The side effects of this disaster (would be) so sweepingly significant that it is not appropriate that Calvert Knudsen (MacMillan Bloedel president), IWA regional president Jack Munro and Forests Minister Tom Waterland meet in a back room to arrange a petty trade-off for VanPly's closure."

What O'Connor meant was that if the VanPly decision was indicative of MacMillan Bloedel's future plans for plywood production, it could set off a chain reaction dislocating independent logging producers and throwing not just 700, but thousands of men out of work.

The unilateral right of the management of a corporation to make the economic decisions affecting its operations has been significantly eroded

As it happened, the backroom work was done primarily by the company and the union, although Premier Bill Bennett had made it known that the closure was unacceptable to the government.

Under the settlement they worked out the union agreed that the 42-year-old "A" mill is too old to be saved and it will be closed with the loss of 200 jobs. Most of the men affected will be placed in other MacMillan Bloedel operations and those that can't or don't want to continue working for the company will be given either early retirement or substantial severance pay. A joint planning group comprising representatives from the company, the union and the provincial department of labour will supervise the arrangements.

The younger "B" mill will be kept operating for at least the next two years. The company will spend $1 million to modernize the lathes used in peeling the logs and to improve other equipment. For its part, the union undertakes to cooperate in increasing the productivity at the mill. This will save just over 500 jobs.

Whether the mill can be made economic within the next two years "remains to be seen," in Knudsen's view. The IWA, however, has no doubts about the success of the operation.

It is, however, the second part of the agreement that is the most significant. The forest industry on B.C.'s coast has many operations not unlike VanPly in condition and

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h the coast.

ut it's on the coast where the
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re employed. If the VanPly deci-
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or MacMillan Bloedel the choice
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ut pressure from the provincial
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number of precedents.

he first is that the closure of
ajor operations affecting signifi-
ant numbers of workers will in
uture be subject to negotiation. It
till isn't clear how far negotia-
ons can be taken. For instance, if
he company had held to its deci-
ion to close, could the union have
taged an extensive strike against
lacMillan Bloedel operations
enerally, as seemed to be implied
some of its initial threats?

Punch-Rothco

"It was precisely this kind of indecisiveness that got us into trouble in the first place!"

Such a strike would probably have been illegal under the province's Labour Code. So the negotiations to that extent were permissive on the part of the company. Nevertheless, the precedent has been set which other employers, and no less the government, will have to follow.

The crucial point in any such negotiations is the extent of the private corporation's authority to make the economic decisions its shareholders expect it to make. That authority has been very significantly compromised by the VanPly case which underscores a point the trade unions have been trying to make for years — that employees have an equal right with shareholders and management to a role in determining the company's future.

The economics dictated closure, but pressure from the provincial government and the union denied the company that option

The key point for the company is the IWA's undertaking to work with management in devising procedures to improve productivity at the plant. And that is the second precedent.

Trade unions in Canada have, with some exceptions, traditionally

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considered productivity a matter for management. The great majority of technological change clauses in contracts, for instance, have more to do with the protection of workers' conditions, wages and so on, than with efforts to improve productivity resulting from the changes themselves.

Management has taken the contrary view. Because of restrictions favouring workers in labour contracts, management has tried to involve the trade unions in the productivity issue. At VanPly the IWA has categorically agreed to work with the company to improve output.

The IWA's regional president Jack Munro says: "We are going to look at everything. The object is to make that place more productive."

The key point for the company is the IWA's undertaking to work with managers in devising procedures to improve productivity at the plant

That won't be easy because the union will have to work around clauses in the contract that have had to do with everything but productivity. But the 700 workers at VanPly, many of them with 20 years' service with MacMillan Bloedel, got a rude shock when the mill closure was announced and are clearly now in a mood to help make the operation more efficient. And that will be a key to the union's approach. The union wants to bring the individual workers as much as possible into the productivity discussions. How that will be done is not yet clear, but no doubt it will involve the filtering up of ideas from the shop floor through a union committee dealing with management at higher levels.

How the two sides work out a design for productivity improvement within the existing contract will be closely watched by other unions and other companies. That design will, of course, have a significant bearing on MacMillan Bloedel's future capital investment programs. The company will obviously be more prepared to spend money renovating older plants if there are reciprocal productivity initiatives by the union.

The VanPly case also reveals the model Canadian unions will clearly prefer in handling worker input in managerial decision making

So MacMillan Bloedel and the IWA could well set a pattern for industry generally if they produce a successful blueprint for greater efficiency.

The VanPly case also reveals the model Canadian unions will clearly prefer in handling worker input in managerial decision making. They will stick with collective bargaining, suitably modified, rather than adopt the European system of union-worker representation directly on corporate boards of directors.

Jack Munro calls worker directors "mere tokens," not to be trusted to truly carry the workers' interests into the boardroom.

Industrial democracy is very much a buzz word in labour relations circles these days. Federal Labour Minister John Munro is known to favour much greater worker involvement in the running of corporations, although he has never been specific. But he has a report on the German system of co-determination from Charles Connaghan, former president of the Construction Labour Relations Association in B.C. and now an administrative vice-president at the University of British Columbia.

The IWA has poured scorn on the German system which, according to union leader Munro, hasn't worked nearly as well as North American-style free collective bargaining to improve the lot of the ordinary worker.

For the IWA, having a worker on a board of directors compromises the union at contract negotiating time. If the capital investment decisions, or decisions about closing down operations, are made at the director level under the German system, there isn't anything left for the unions to negotiate about. The union therefore is effectively squeezed out of the process.

But under procedures indicated by the VanPly agreement, the union will be involved *before* the decisions are made. It will be able to retain its independence and therefore exercise a greater influence in the consultative process.

MacMillan Bloedel did not, of course, invite anybody from the IWA to join its board of directors. Nor did the IWA seek a seat there. But the point is that the VanPly agreement is a mightily significant first step toward the remoulding of free collective bargaining to accommodate broader sharing of management responsibility with the unions.

Whatever happens at the national economic planning level to the idea of tripartism, the IWA in B.C. has made it clear that individual unions want no part of it at the company level. [19]

John Clarke is a senior editorial writer and labour specialist with the Vancouver Province.

Brighter prospects for tripartism in Canada

By Ed Finn

This article on tripartism is a follow-up to one that Ed Finn wrote for the February/March 1978 issue of The Labour Gazette *("Tripartite Consultation at the National Level"), in which he described the many structural and attitudinal deterrents to the tripartite system in Canada, and painted a gloomy picture of its prospects.*

He now feels, however, that the previous article — which drew a much greater and more favourable response than any of his other Gazette essays — was unnecessarily pessimistic. Recent developments, which he analyses in this article, make it clear that tripartism (by whatever name) has not only survived the onslaught of its many critics, but is actually gaining ground.

Tripartism lives.

The concept of business-labour-government co-operation was reported dead last summer when the federal government and the Canadian Labour Congress failed to agree on terms for ending wage and price controls.

That plunged relations between the CLC and Ottawa into a deep freeze. Many of the CLC's affiliated unions repudiated the manifesto favouring tripartism that they had so enthusiastically endorsed at the 1976 congress convention.

It seemed that all hope of achieving teamwork in industry was dead, and I was among the many commentators who wrote obituary notices.

But recent developments, including events at the 1978 CLC convention in Quebec City, indicate quite clearly that discussions among business, government and labour officials have not only been resumed, but have actually produced a number of tripartite arrangements.

Among them are the three industrial inquiry commissions established earlier this year by Labour Minister John Munro; the proposed new Canada Centre for Occupational Health and Safety; and the score of manufacturing sector committees set up to assess each industry and recommend assistance programs.

All three inquiry commissions — on layoffs, broader-based bargaining, and paid educational leave — are comprised of prominent labour and business leaders, such as Jack Munro of the International Woodworkers of America, Senator Bill Mahoney, former national director of the Steelworkers, Bill Wightman of the Canadian Manufacturers' Association, and Charles Perreault, former president of the Conseil du Patronat du Québec. The chairmen all have academic backgrounds.

While the federal government is not directly represented on these commissions, they are creatures of the government and as such can be classed as tripartite bodies.

The Occupational Health and Safety Centre will have both federal and provincial government representatives, as well as business and labour officials, on its board of directors.

The sectorial manufacturing committees were approved at the first ministers' conference last February, and since then both the CLC and the business community have agreed to participate in them.

Perhaps, in retrospect, we shouldn't be surprised that tripartism has survived. For one thing, labour and business never did break off contact. Even while snubbing the government, the then CLC president, Joe Morris, and his fellow officers met regularly with such business leaders as Jean de Grandpré, chairman of Bell Canada; Alfred Powis, vice-president of Noranda Mines Ltd.; and Paul Desmarais, chairman of Power Corp. of Canada.

The business leaders also continued bipartite talks with government, acting as intermediaries between the labour and political antagonists. Eventually, during the winter, three-party discussions were re-established, and agreement reached — not just on the principle of tripartism, but on involvement in tripartite agencies.

Businessmen seem genuinely anxious to avoid a renewal of open hostilities with the unions now that wage controls are being phased out. For example, when spokesmen for the CMA and the Chamber of Commerce appeared before the Commons labour committee on Feb. 16 to object to some Canada Labour Code amendments they felt had a pro-labour bias, they were careful to aim their barbs at the government.

"Our quarrel is not with the unions, but with the government," said Lloyd Hemsworth, vice-president of de Havilland. "The CMA intends to continue the bilateral

discussions it has been holding with the CLC, to determine those matters in which we share a common interest."

CLC officers, meanwhile, have had to tread carefully through a minefield of internal opposition to tripartism. At the April convention, they were able to beat back the repeated demands by left-wing delegates to rescind the 1976 manifesto and disavow tripartism in any form.

The central economic policy paper adopted at the convention neither rejects nor supports tripartism. It simply leaves congress officers free to consult with — and act with — either business or government, or both, or to refuse to do so, whatever seems advisable.

That's the kind of flexible, pragmatic approach that the new CLC president, Dennis McDermott, prefers. He's enough of a realist to know that the labour movement can't operate in isolation from the political and business communities.

"Three-way talks shouldn't be ruled out when they can do some good," he said.

"As a national labour centre, there are times when we must have input with the government of Canada. There's nothing wrong with that."

He pointed to the International Labour Organization as a good example of effective tripartism in action.

McDermott's predecessor, Joe Morris, had no inhibitions in voicing his support for the tripartite system. A veteran participant in international affairs and now chairman of the ILO, he has seen tripartism work in Europe, and he remains convinced that it has to come to Canada sooner or later.

"My only reservation about our manifesto," he said, "is that it may have been premature. Our people weren't ready for it. But in the long run it's the only way labour-management-government relations can be conducted rationally and in the best interests of everyone."

Morris scoffed at the objections to tripartism raised by such labour leaders as Ontario Federation of Labour president Cliff Pilkey and Canadian Union of Public Employees president Grace Hartman. They charge that in any tripartite system labour would be outnumbered by its business and government "enemies."

"That's crap," said Morris bluntly. He argued that on some issues labour and business might unite against government, and on others labour and government would be on the same side against business.

"Even if the odds were always 2 to 1 against us," he added, "they'd be the best odds we've ever had. Any union leader who couldn't win in a 2-against-1 situation shouldn't be in the labour movement."

Although Morris bowed out at the last CLC convention, his pro-tripartism views are shared by other influential union officers, who have picked up the torch.

They include Henri Lorrain, president of the Canadian Paperworkers' Union; Gérard Docquier, Canadian director of the Steelworkers; and John Fryer, general secretary of the B.C. Government Employees' Union.

Fryer, in a letter to CUPE's Hartman, defended the CLC's 1976 manifesto.

Admitting that the Congress is not as strong as the corporations, he argued that was not a valid reason for rejecting tripartism. Instead, the affiliated unions should take steps to provide the CLC with "the unified political and economic power to make the tripartite approach effective..."

Docquier and Lorrain have also championed tripartism in speeches and interviews.

"We can no longer tolerate a system in which decisions affecting our members are made without labour's involvement," said Docquier. "Call it tripartism or any other name, we must have some input into the decision-making process."

Lorrain emphasized that he's not promoting tokenism.

"Labour must have full partnership status," he said, "and that means an industrial strategy that goes beyond a mere incomes policy. It means that management must also give up its unilateral right to determine investment and pricing policies."

Obviously the tripartite experiments recently undertaken do not embrace the kind of broad economic planning mentioned by Lorrain, and envisaged in the CLC manifesto. They are modest in scope, limited in their objectives.

But perhaps this is the only practical way that tripartism can be implemented in a country as vast and diverse as Canada — by first gaining a few toeholds, then gradually extending it, step by step, into larger and more important sectors.

Whatever its ultimate fate, tripartism in Canada is not dead. It is not even dormant. Like most other ideas, its time will come — and sooner than we think. lg

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Ed Finn is director of public relations and information for the Canadian Brotherhood of Railway, Transport and General Workers. He also writes a regular column on labour for The Toronto Star.

The CLC's 1978 convention — an unprecedented show of solidarity

by Roy LaBerge

Labour solidarity was more than a cliché at the 1978 biennial convention of the Canadian Labour Congress, in Quebec City, April 3-7. The 2,467 delegates showed a more unified approach to most convention issues than has been seen for many years. The question remains, however, whether the delegates can convince the local union members, who sent them to the convention, to adopt its decisions and transform them into action in their own communities.

The convention delegates demonstrated their solidarity by:

- electing a new president by acclamation — Dennis McDermott, 55-year-old Canadian director of the United Auto Workers;
- adopting unanimously, by a standing vote, an emergency resolution calling for solidarity between public and private sector unions in opposing proposed amendments to the federal Public Service Staff Relations Act;
- adopting unanimously, again by standing vote, a decision to support the New Democratic Party in the next federal election;
- and voting 85 per cent in favour of a statement calling for solidarity between workers in Quebec and the other provinces whatever the outcome of the current debate on Canada's constitution.

McDermott came to the convention with the unanimous support of the CLC's 30-member executive council to succeed Joe Morris who had held the presidency for four years and was required to step down by the mandatory 65-year age limit in the CLC constitution. Morris remains active on the international scene as chairman of the governing body of the International Labour Organization and a member of the Independent Commission on International Development Concerns, headed by Willy Brandt, the Nobel prize-winning former chancellor of West Germany.

The only major issue on which the convention was clearly split was a proposal to change the existing voting procedure based on one vote per delegate. Even it failed by only 23 votes to win the two-thirds vote needed for a constitutional amendment.

During most debate, the only consistent dissent came from a handful of extreme left-wing delegates and the 60 delegates of the Canadian Union of Postal Workers, and even they went along with the majority to make several crucial votes unanimous.

The Postal Workers had come to Quebec City with their own proposed program of action for the CLC. It called for nationalization of the finance and resource industries, a 30-hour work week with no loss of income, triple time compensation for all overtime hours worked, an "immediate, unlimited" general strike if the government announced it intended to reimpose wage controls in any form, and continued support for the NDP but only "providing that it consistently

McDermott and Morris...different leadership styles

support, defend, publicize and promote" the principles embodied in the CUPW program. Postal delegates, led by their president, Jean-Claude Parrot, rose frequently on points of order to complain that resolutions presented by convention committees did not reflect their own militant program and were not specific enough in their calls for action.

The convention adopted policies that no longer formally wed the 2.3 million-member CLC to the principle adopted at the 1976 convention of sharing power with government and management in economic policy-making, largely through a proposed labour market board. The board would have forecast labour market changes, administered manpower training programs and mobility grants as well as the unemployment insurance program, regulated immigration, and even channelled both public and private investment funds to alleviate cyclical and regional unemployment.

The 1978 convention policies would have labour influence economic and social policy-making in more traditional ways — more effective union organization, improved collective bargaining, and stronger support for the NDP. An economic policy resolution, for example, said that tripartite discussions held with the federal government and the business community with a view to ending wage controls and extending labour's influence had proved "fruitless." It called on the CLC and its affiliates to "consolidate and expand their support for the NDP" to give labour stronger political influence.

While CLC conventions have always adopted resolutions calling on labour to support the NDP, this year's were more strongly worded, and Ed Broadbent, the party's federal leader, drew standing ovations both before and after he

Jean-Claude Parrot

urged the delegates to mobilize support in the coming election campaign.

The carefully-worded statement on national solidarity did not come down on one side or the other in the current debate over Quebec "independence." It affirmed the right of Quebec workers to "determine their own political and constitutional future," and expressed the hope that a "continuing dialogue will lead to a restructuring of the relationship between us which will serve the interests of our two communities of people in a vibrant and new Canadian society."

The question remains whether the delegates can convince their locals to transform convention decisions into action in their own communities

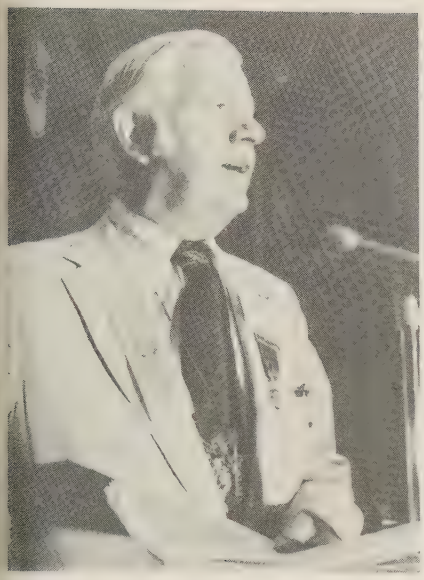
The statement says workers will not be deluded by "attempts of governments to mask or obscure the seriousness of the economic problems with legalistic constitutional debate...Political leaders in all parts of the country must understand that the economic crisis ranks as our primary concern. We shall not permit ourselves to be divided in our pursuit of the resolution of that problem."

It takes this clear stand on worker solidarity: "We as working people are committed to maintaining the solidarity of our labour movement and to respecting the historical reality that our roots are founded in two nations. It is in this context that we address ourselves to the question of the political and constitutional relationship within Canada."

The emergency resolution on Bill C-28, a series of amendments to the Public Service Staff Relations Act, authorizes the CLC to do "everything in its power" to defeat any Member of Parliament who supports the bill. It also commits the Congress to organize special campaigns against the bill and to support demonstrations and similar action affiliates.

The bill would outlaw strikes during election campaigns, remove employees earning over $33,500 a year from bargaining units, and impose a system of "average comparability of total compensation" on federal employees.

Andy Stewart, president of the 177,000-member Public Service Alliance of Canada, told the convention the formula would, in effect, set maximum pay and fringe benefits for unionized federal employees at the average of non-union employees in low-paying private industries such as insurance and banking. "If this bill goes through it will impose computerized bargaining, with no decision making on the part of the membership," said Stewart, whose militant address drew a standing ovation.



Kealey Cummings

Kealey Cummings, national secretary-treasurer of the Canadian Union of Public Employees, said the bill would "reflect on every private employee in the country." The private sector, in time, "will have a cap on wages, and negotiations by computer," he claimed. "If the public and private sector unions don't work together and succeed in defeating this bill, it will be the beginning of the downfall of the labour movement."

McDermott said the private sector "has no choice" but to defeat Bill C-28. "The eyes of government are upon us at this convention," he added. "I suggest that when we conclude this debate we stand as one in support of the people in the public sector...From this moment on, we are going to witness the radicalization of public service unions."

On opening day, in his final presidential address to a CLC convention, Morris had said the "whole thrust" of policies of both the federal and provincial governments is to hold down wages.

After three years of anti-inflation controls, he said, wages have been cut back but prices continue to rise, "and by tying public-sector wages to private-sector wages, the government is laying the groundwork for continuing wage controls after the current controls legislation has expired."

Morris said the most "insidious" aspect of Bill C-28 is that "it is intent upon splitting the trade union movement along public and private-sector lines. The Congress cannot permit this to happen. Everyone must understand that if controls are successfully applied to one sector they will very quickly be followed by controls on the other."

He also said that in most provinces the public sector "is being threatened by repressive legislation and drastic cutbacks. Governments as employers are submitting to an ever increasing pressure to restrain public sector employees and their unions in the name of fiscal responsibility. This political stance has been adopted for purely selfish short-term gains regardless of the social harm and cynicism it sows."

The only major issue on which the convention was clearly split was a proposal to change the existing voting procedure

Morris complained that revisions to the Consumer Price Index, in effect June 1, also mean lost wages for workers: "Affiliates of the Congress have negotiated many COLA (cost-of-living allowance) clauses to protect workers against inflation, and by our estimates if the reported rate of price increases is reduced by only 1 per cent it will mean approximately $1 billion less in annual wages and salaries."

He added: "Couple this with the new wage rate index that Labour Canada is developing with the help and advice of such institutions as the Bank of Canada, Canadian Manufacturers Association, Pay Research Bureau, Finance [Department] and the AIB and we have a good idea what is in store for the private-sector unions."

Morris also drew a standing ovation later in the convention when the delegates unanimously adopted a resolution congratulating him on his election as chairman of the ILO governing body.

A proposal for "weighted roll call votes" at future CLC conventions failed by 23 votes to get the two-thirds majority needed to amend the CLC constitution. Since the CLC's founding in 1956, convention voting has been on the basis of one vote per delegate with each local union allowed to send at least one delegate. This gives unions with a smaller average number of members per local a voting advantage over unions with more members per local. The rejected proposal would have used total membership as a basis for voting strength when one third of convention delegates requested it. CLC executive officers and delegates from federations of labour would have had 1,000 votes each, delegates from labour councils 100 votes each, and delegates from each affiliated union would have had their weighted vote calculated by dividing the number of delegates into the union's total membership, based on its per-capita dues payments to the Congress during the previous years.

The vote was 1,300 for the proposal and 723 against. It was brought in by a committee directed by the 1976 convention to explore alternative convention arrangements. The number of delegates has risen from 1,510 in 1960 to 2,462 in 1978, and only three

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CLC policy statements

Policy statements approved by the Canadian Labour Congress Convention, in Quebec City April 3-7, call for the development of a "comprehensive national industrial strategy" to create jobs, "and to tie in the production of raw resources to each industrial sector of the economy."

The CLC argues that if Canada is uncompetitive in some areas of manufacturing, "it is not wages that are the cause but the fact that corporations invest profits made in Canada in low-wage countries where profits are bigger rather than back here in new plants and machinery for Canadian workers to meet the competition."

Labour has long promoted national planning as a central element in building social democracy, the CLC says. Today, national planning is also being discussed by government and business, but "they will promote a national industrial strategy for their own very different reason." Therefore, labour must develop and promote policies that will meet its own objectives — "greater social justice and equality." The CLC must continue its attacks "to compel business and government to respond to our policies and programs."

The CLC also says "massive and unprecedented" intervention by government "on behalf of corporate interests and against the working people" has shaken the confidence of Canadians in their political and economic systems. While governments have legislated "repressive" wage controls and "severely cut" public spending on social programs, "the concentration of economic power in the hands of the corporations and the financial institutions has left them free of controls to seek higher profits in other countries or to withhold or divert investments," the CLC adds. "Labour must reject the principles of monopoly ownership where private economic power in the hands of the few denies the fundamental rights of freedom, dignity and justice."

In a call for action, the CLC says: "The trade union movement must develop its own countervailing power to turn aside the challenges of governments and the corporations...and develop a unity of purpose." This would come about through a "revalitized" CLC, redoubled efforts in the political arena to translate trade union power into electoral support for the New Democratic Party, preserving and strengthening collective bargaining, and the planning by labour of its own programs and policies and promoting them "in a manner that will force government and business to respond to our drive for social democracy."

The policy statements also call for amendments to existing labour relations and security legislation to require more disclosure of information by corporations and specifically "to provide distribution to trade unions as bargaining agents certain basic financial and non-financial information concerning: the firm's status, its competitiveness in the market, its production and productivity, the firm's financial structure, budget and cost accounting, staff costs, the firm's outlook for the future, scientific research, all forms of public support received, and the firm's organizational chart."

A statement on "energy and jobs" calls on the government to clarify conflicting "pessimistic" reports from the National Energy Board about the country's actual reserves of gas and petroleum and "optimistic" reports from Petro-Canada and the Department of Mines and Resources. It says further expansion, or even the maintenance of existing levels, of petroleum and natural gas exports "should be considered only with respect to refined or processed products" and that Canada should see the development of renewable energy forms "as a major opportunity to create jobs."

A statement on the current General Agreement on Tariffs and Trade (GATT) talks says Canada has more at stake than most countries because half of all goods produced by Canadian workers are exported. "Labour believes the job dimension of international trade is not being adequately considered in the GATT talks," the statement says, adding: "Labour is particularly concerned that Canada's negotiators do not give up on the highly manufactured goods sector in our country and adopt a position that the best Canada can do is get more processing of raw material short of the end-products stage. Our manufacturing sector must be maintained and revitalized, and this must be included as a key element of an industrial strategy."

Labour supports initiatives to establish a "more rational" trade agreement, the statement adds, "but in supporting more liberalized trade we mean fair trade...where advantages are gained on superior technology and not exploitive wages and inhumane working conditions."

The statement also calls for an end to the "myth" that reliance on imports means lower prices for Canadian consumers, adding: "This argument is artificial because workers and consumers are, for the most part, the same people. The preservation of Canadian jobs is as crucial to consumers as it is to workers. lg

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The policy emphasis is on more effective union organization, improved collective bargaining and stronger support for the NDP

cents, and officers' salaries were increased in two stages to $50,000 from $40,000 for the president, to $45,000 from $36,500 for the secretary-treasurer, and to $45,000 from $35,000 for the executive vice-presidents.

Other resolutions adopted reaffirmed the CLC's intention not to co-operate in any post-controls monitoring body, and called for a minimum wage of $4.50 an hour in both federal and provincial jurisdictions, a 32-hour work week without loss of pay as a partial solution to current high unemployment; renegotiation of the Canada-U.S. auto pact, increased public ownership as an instrument for economic planning and industrial strategy, making the post office a crown corporation, and reducing taxes for lower and middle-income groups.

Executive vice-presidents Shirley Carr of the Canadian Union of Public Employees and Julien Major of the Canadian Paperworkers Union were returned to office by acclamation, and secretary-treasurer Donald Montgomery of the United Steelworkers of America easily turned back a challenge from Homer Stevens of the United Fishermen and Allied Workers by 1,701 votes to 481.

McDermott's administrative assistant, Robert White, was elected by acclamation to fill the general vice-presidency left vacant by McDermott's election to the presidency. The other five general vice-presidents were re-elected, also by acclamation: Gérard Docquier, USWA; Grace Hartman, CUPE; L.H. Lorrain, CPU, C.G. McGregor, Brotherhood of Railway, Airline and Steamship Clerks; Ken Rose, International Brotherhood of Electrical Workers.

Elected vice-presidents at large were Simon Bresner, International Ladies' Garment Workers' Union, Montreal; Stewart Cooke, USWA; Sam Fox, Amalgamated Clothing and Textile Worker's Union; John Fryer, B.C. Government Employees' Union; Ray Gall, Sheet Metal Workers' International Association; Jack Munro, International Woodworkers of America; Don Nicholson, Canadian Brotherhood of Railway, Transport and General Workers; Huguette Plamandon, Canadian Food and Allied Workers Union; Mike Rygus, International Association of Machinists and Aerospace Workers; Andy Stewart, PSAC.

The provincial federations of labour name the other 10 members of the CLC's 30-member executive council. lg

The CLC's new president

Dennis McDermott, newly-elected president of the Canadian Labour Congress, brings to the office a style of leadership vastly different from that of his predecessor, Joe Morris. While Morris' statements were usually very carefully measured, McDermott concedes that he tends to "respond very quickly" and that he "may get clobbered a few times."

McDermott is expected to bring a higher public profile to the CLC presidency, and one of his first acts after the April 3-7 convention was to walk in the picket line at

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the Fleck Manufacturing Company Ltd. in Centralia, Ont., where 119 members of the United Auto Workers had been on strike since March 6, seeking a first contract. There has been occasional violence on the picket line as police have helped non-striking workers to cross it.

The five-foot eight-inch McDermott is colourful in both appearance and language. Known for his stylish haircuts and well-tailored sports jackets, usually worn with open neck shirts, he has kept close communication with younger members of his union and has frequently taken innovative approaches to collective bargaining. He told reporters his approach to winning contracts from banks would not be to use the traditional strike weapon as much as other techniques, including withdrawing accounts. It was McDermott who mobilized a great deal of union support in Canada for the grape boycott by the United Farm Workers in their bids for contracts in California.

Born in 1922 in Portsmouth, England, of Irish descent, he emigrated to Canada after service in the British navy during the Second World War. His political skill and rough mindedness have stood up through 30 years of UAW politics since he first joined the union as a welder in the Massey-Harris Toronto Plant in 1948. He held several offices in UAW Local 439, including editor of the union newspaper, until he was appointed an international representative in 1954, and became the UAW's Canadian director in 1968.

While the 1978 CLC convention backed away from its 1976 commitment to tripartism, McDermott says he still thinks the concept has merit, although it is not "expedient" to pursue it at this time. He says he is convinced that the union movement needs to have ongoing dialogue with whatever government is in power, while at the same time remaining committed to the New Democratic Party. As he once put it: "Just because you break bread with a person and maybe drink a little wine doesn't mean you are going to be seduced by him or seduce him."

As an example he mentions the $10 million grant from the Canada Department of Labour to establish and operate the CLC's Labour Studies Centre. "Labour Minister John Munro has made very serious efforts to make friends with labour. There is nothing sinister about government money supporting labour education in Canada as it does in other countries. I'd take $10 billion if I could get it."

Nevertheless, he is highly critical of the federal government for its current "attack" on public service employees which, he contends, has nothing to do with inflation. "If it did, the government would not be looking at wages but at energy and land costs," he argues. "Wages were controlled for three years but inflation continued.

"The whole thing is designed to get the public to forget about RCMP dirty tricks, resignations of cabinet ministers, high unemployment and the economic chaos the country is in. Public employees are the government's political scapegoats. A few public employees have high incomes, but the huge majority have not."

The first CLC president who had not previously served in one of the CLC's other three full-time elected offices, McDermott intends to seek more power for the central body from its affiliates. "The government's stand has left the movement more united than ever before," he maintains. "We're in for a tough time, but we are no longer taking a back seat. We are going to make our presence known at every economic and social level in Canada."

He told a news conference he may tone down his colourful language in future, but there was no evidence of this during the convention. He referred to some dissident delegates, whose purpose he claimed was just to "disrupt," as people "you can't do anything with unless you lay them on a psychiatrist's couch for 15 or 20 years." He described their complaints as "just bull ----." He did not name them or their union, but said he could recognize them "by their little pointed heads."

When a delegate from the Canadian Union of Postal Workers complained about a news story that quoted unnamed CLC leaders as criticizing his union delegates' behaviour during the convention, McDermott replied: "You can't stand at the microphone day after day and pour buckets of obscenities over the platform and not expect retaliation. Democracy is a two-way street, and it doesn't include the double standard that you can vilify everybody else and get up and cry the minute someone says something about you."

His sense of humour is seen as an asset, especially during his difficult first months in office when, he says, "I'll have to learn my new job." When he addressed the convention after his election he said a delegate had warned him "not to get the impression you can walk on water." And when a reporter asked him how he expected to "get around the fact that while you are well known in Ontario and Quebec you don't have a national reputation," McDermott quipped: "by airplane." lg

R.L.

McGill University 26th Annual Conference

Are health and safety negotiable?

by Paulette Bourgeois

The fit Swedes who put Canadian armchair athletes to shame seem to have the same effect on Canadian lawmakers, workers and employers. After debating for three days whether health and safety are negotiable, delegates to a Spring conference sponsored by McGill University's Industrial Relations Centre heard that Swedish employees and management have been working together since the 1930s through a joint industrial safety council. May-Britt Carlsson, labour attaché to Sweden's embassy in Ottawa, told the delegates that new legislation moves beyond preventive health and safety measures and guarantees the Swedish worker a satisfactory mental and physical working environment. She told the 100 delegates that "It is no longer sufficient to protect the worker from physical harm; we have to consider his mental health as well."

Although Swedish employers are required by law to ensure a safe and healthy workplace, the employees exercise considerable influence on their environment. Swedish workers must take a basic training course in safety and along with employers contribute approximately $30 million a year toward environmental research. Furthermore, Carlsson said there are more than 100,000 union-appointed safety delegates registered with the government. They are given time to make safety inspections and have legal authority to close any shop that deviates from safety standards.

But Carlsson points out that 110,000 workers are still injured each year out of a total labour force of four million. There are not enough doctors and trained technicians to monitor environmental hazards and no one knows yet whether the new legislation is truly workable.

Although it will be some time before the Canadian worker can benefit from the Swedish model, there is evidence that worker participation in health and safety is becoming the North American trend.

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Wayne Horvitz, director of the Federal Mediation and Conciliation Service, U.S. Department of Labor, opened the conference by telling delegates "health and safety legislation is ineffective if those who need protection, the victims, don't have a say." He said that unless legislation is developed, enforced and administered with the help of those who work under the conditions covered by the legislation, there will be constant clashing. "The people who sit in Washington don't know what it is like to work underground; the people who should decide are the people who do the work," he emphasized. "The only regulations that make sense are those that people will follow — if a worker is a party to making the rule, he will follow it."

Horvitz, who mediated the 103-day U.S. coal strike, said that when jobs are unsafe, the policy of work-now-grieve-later doesn't make any sense, but the "odd-spot arbitration system" developed at four major U.S. ports is a good example of effective, instant response to safety and health problems. The unions and the company each pick two arbitrators who are on 24-hour-a-day call. These arbitrators aren't professionals — most come from the rank and file. Says Horvitz: "He won't ask the men to work in an unsafe environment. He is an operating man who knows the ropes and the workers know he knows the ropes. They listen." This is an inexpensive and safe method of quick problem-solving that doesn't involve lengthy court battles, Horvitz adds.

The current adversary system of bargaining health and safety issues bothers Horvitz — someone has to win at the bargaining table and often safety and health are union issues that are left to the end, or used as levers to secure other benefits.

While more and more cases concerning safety standards and equipment are coming before arbitrators, the federal and provincial governments are seeking an alternative to negotiation through legislation. H.L. Laframboise, Labour Canada's assistant deputy minister for research and development, told delegates that under

the Canada Labour Code, workers must ensure their own safety. He said that "any employee, in conforming with the duty imposed on him in the Labour Code, should withdraw in the case of imminent danger." But he points out that the recently-passed labour legislation goes a step further and provides that employees cannot be penalized for stopping work when they perceive themselves in danger.

Laframboise says that imminent danger is narrowly defined by the government and workers will not be protected against health hazards whose effects become apparent only in the long-run. But he assures workers that "those hazards can be dealt with by other means, such as complaints, surveys, inspections, standards, and punishment for violations."

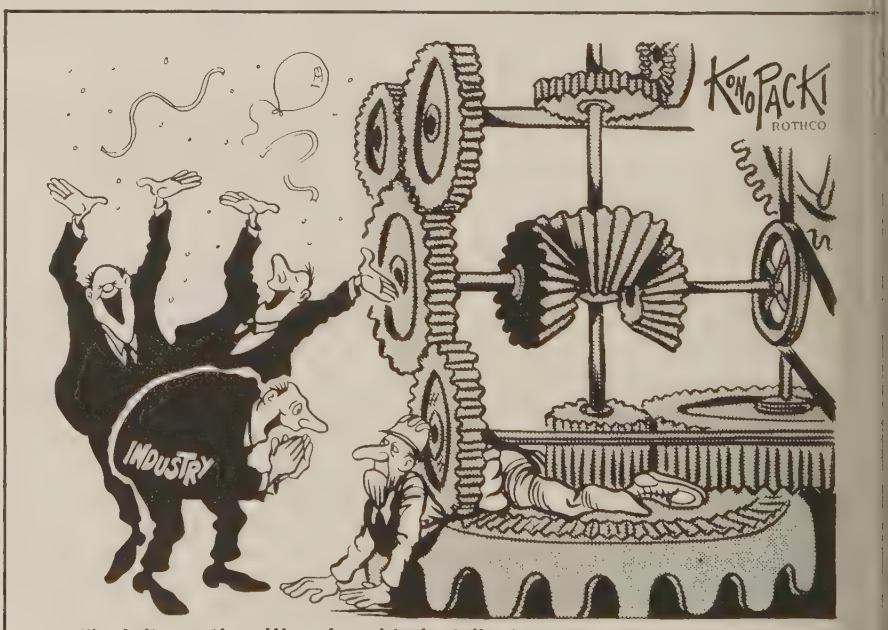
A second major provision in the new law deals with health and safety committees. Worker representatives favoured universality of this program, but Laframboise would rather "use our resources to clean up bad situations than dissipate our efforts over large numbers of committees in establishments where there is an exceedingly low level of occupational risk." As the law now stands, the Minister will require committees in establishments where he feels they are necessary.

Laframboise indicated the Canadian Centre for Occupational Health and Safety would provide needed reliable scientific information about health hazards in the workplace and would function independently of direct federal control, but the economic climate may limit what the government can do for worker safety. "I do not suggest that we are about to be stalemated in our efforts to obtain a healthier work environment. But it is my impression that all of us with responsibilities in this field are going to be increasingly required to justify, in balanced economic and social terms, any further measures we propose."

Thomas Kuttner, a policy analyst with Ontario's Ministry of Labour, told the delegates that Ontario's new Occupational Health and Safety Act interfaces with the collective bargaining regime. "We instinctively reject the concept that integrity of our bodily well-being, while engaged at the workplace, could be something other than an absolute and inalienable right." But he said, "despite our aversion to health and safety as a negotiable matter, we insist upon dealing with that issue in the ongoing relationship between worker and employer." Work and safety issues are a necessary part of the dynamic of collective bargaining, he argued.

He told delegates that, contrary to popular opinion, collective bargaining is not institutionalized conflict, but rather a system whereby many issues common to both parties can be resolved in an accommodative mode. Unlike Dr. Ham, who recommended in his 1976 *Report of the Royal Commission on the Health and Safety of Workers in Mines* that a "joint responsibility" system replace collective bargaining for health and safety issues, Kuttner suggests that Ontario follow the recommendations of a report by the Upjohn Institute for Employment Research. The authors of that report distinguish "integrative issues" from the more conflict-laden issues that accompany the bargaining process and they assert that there is a role for collective bargaining in health and safety matters.

According to Kuttner, the interface between the Act and the collective bargaining regime is multi-faceted — the provision for health and safety committees interacts with health and safety mechanisms provided for in collective bargaining processes. Under the Act, committees are formalized structures with the power to obtain information from management on the health and safety of workers and to make recommendations, but the Act gives no statutory recognition to existing health and safety committees established voluntarily



"Isn't it great! — We refused to install adequate safety equipment and our profits went up!"

lough the bargaining process. ttner notes that in British lumbia, these committees are tablished according to the size the workplace and the hazard ssification of the particular lustry.

ttner felt that it would be ferable for health and safety mmittees to start voluntarily lough the bargaining process d in such cases a parallel statu- y mechanism would be desirable.

said the most significant ature of the Act is the control of xic substances in the workplace. e number of toxic substances is timated in the tens of thousands d the government wants to velop priorities in establishing ntrols of these substances. ing data provided by industry d other sources, the occupa- nal health and safety division of e Ontario labour ministry will sess the agents to be used at ork; it will develop standards and ll give priority to those sub- ances with carcinogenic or other ng-term effects. The parties gaged in the workplace are free assess the risk of toxic sub- ances and arrive at acceptable vels of risk which may differ om the levels established by the gulation.

espite legislation that requires dustry to move toward a ealthier workplace, the workers, t the bureaucrats, have to deal ith the hazards. Professor G.W. ibbs, director of the occupational ealth and safety unit at McGill niversity, echoes Horvitz's state- ent that workers must be invol- d in the process of legislative d industrial change. Gibbs gues that the adversary system collective bargaining can be a aste of time and money and also compromise of major issues that fect workers' health. He says at the issues raised in confronta-

The worker cannot take responsibility for himself in a complex world that he doesn't control and which the experts themselves do not fully understand

tion vary in magnitude, type and importance, but "there is little or no apparent setting of priorities, and the mechanics do not provide for the long-term on-going systematic review of problems in the workplace."

Although Gibbs recognizes that public inquiries into health issues can be beneficial, he criticizes the concept and points out that the information available to commissions could be made available to employers and employees for an internal solution. Commissions can only make recommendations and do not have a mandate to see their proposals implemented, he adds. Gibbs wants a clear definition of what causes a health hazard, a system for identifying and investigating existing and new hazards, and a mechanism for implementing controls. The essential elements of his scheme are the means to assess the effectiveness of control measures and a structure that ensures employee participation. Says Gibbs: "The best ventilation system in the world will not prevent dust exposures if employees fail to adhere to safe work practices."

He told delegates the present approach to identifying health hazards in industry is "often ad hoc and, with some rare exceptions, inadequate." There is a sparsity of scientific data relating health effects of various degrees of severity to measured levels of exposure to factors in the workplace. He added that once a problem has been identified the company has to solve the problem and pay the bills, and this may produce union-management problems when controls are too costly or take longer than anticipated.

Gibbs perceives another difficulty: the use of medical jargon — in attempting to be objective, the scientist may fail to communicate his findings in language the worker can understand. He suggests that occupational health and safety centres that cater to particular industrial sectors be established across the country; they would be governed by boards composed of government, union and management officials. Government would provide a peripheral advisory role to the centres, which would evaluate health hazards, fund research and develop new methods of control when necessary.

While Gibbs thinks the adversary system isn't the only means of dealing with health and safety in the workplace, Émile Boudreau, director of the health and safety division of the Quebec Federation of Labour, suggests that until we have an ideal society, negotiation is the only way to ensure healthy, safe work environments. He says Quebec workers want the right to participate in the process of evaluating their work environment: they want all the facts and the right to decide if the workplace is safe. Boudreau says many workers are afraid to demand safe workplaces because they fear the companies will close, move or lay off workers.

Neil Reimer, Canadian director of the Oil, Chemical and Atomic Workers, says many difficulties must be overcome before collective bargaining can make an effective contribution to health and safety. Management in general has refused to accept full union and worker participation in improving health and safety conditions, he says.

"Management attitudes can be

understood if one accepts the fact that management uses a dollar yardstick, that there is a zeal for production, and that science is worshipped and has priority. Corporate bureaucracy often stands in the way of an effective program," he says. But Reimer also faults unions because health and safety is often their last consideration at union meetings. "The negotiating committee often thinks they've done a tremendous job by establishing a health and safety committee jointly with management and then they forget to negotiate their rights." Often unionists do not have back-up information and expertise from their union, or the material help needed to do an effective job.

"New technology, procedures and substances are being introduced in the industrial operations at such a rapid rate that I see very little chance of a program being developed that does not include risk," Reimer told the delegates. The worker cannot take responsibility for himself in a complex world which he doesn't control and which the experts themselves do not fully understand. Reimer says the role of collective bargaining is limited — it can create awareness, minimize risk, place responsibility where it belongs, and educate and inform the work force.

Reimer agrees with Dr. Rene Dubos, professor of bio-medicine at Rockefeller University, who says it is unrealistic to hope that safety measures can be developed to prevent all industrial diseases, even if they were based on much greater knowledge than we now have. Dubos stated that "The only real way to deal with an unhappy but inevitable state of affairs is to carry out a variety of simple clinical tests on samples of the working population. This will detect as early as possible any change in the state of health. This approach could be called the medical alarm system."

Dr. Claude Drouin, director of the Quebec Metal Mining Association, said the concept of apprehended danger is far from being rational. Furthermore, the associated right to refuse work should be exercised only when there is no other possible way out. He advocates the full exploration of labour-management channels and adds that management sees legislation permitting workers to refuse work as "liable to generate chaos in industry as well as in society."

While most delegates and speakers at the conference seemed to agree that health and safety can be negotiated, there is no doubt that provincial and federal legislation must play a role...

Says Drouin: "It would be illogical for a worker to leave his job due to dangerous conditions without talking the matter over with his immediate supervisors." He contends that a series of discussions should take place between worker, supervisor and senior management before a worker is justified in refusing work he considers unsafe. Drouin says since no man is an island and information and training are obtained from other people, external influences can help a worker enhance his safety consciousness. But, on the other hand, external influences may increase the probability of casualty. "It is apparent that the right to refuse work cannot be based solely on physical factors and environmental conditions," he says.

Terry Ison, law professor at Queen's University, says the right to refuse work must be defined in broad terms in order to have the greatest potential for improving occupational health and safety.

He says there is considerable scepticism in the labour movement about the good faith of corporate organizations where health and safety is concerned — the workers feel their health is sacrificed in the cause of production. Corporate organizations, however, maintain that the health and safety of their workers takes precedence over other concerns. When management lobbies for a narrow definition of the right to refuse work, employees may feel their suspicions are justified.

Ison says legislated rights for workers, and other forms of government intervention, are needed least in the best-run companies, and health and safety legislation must be designed with reference to the worst conditions if it is to be effective. Joint health and safety committees should include management representation at both planning and operational levels. He adds there is a need for greater worker participation, and there must be freedom of information about health hazards to inspire worker confidence as well as to facilitate orderly improvement.

While most delegates and speakers at the conference seemed to agree that health and safety can be negotiated, there is no doubt that provincial and federal legislation must play a role in the health and safety of our workers. In Canada, federal responsibility in this area is shared by nine departments and agencies, administering 16 separate Acts of Parliament. The provinces and territories are responsible for 221 Acts and 400 sets of regulations under the aegis of 45 separate departments and agencies. The question is whether lawmakers, workers and employers can work together for the common goal of making the workplace healthier and safer for everyone. lg

he fringe benefits debate

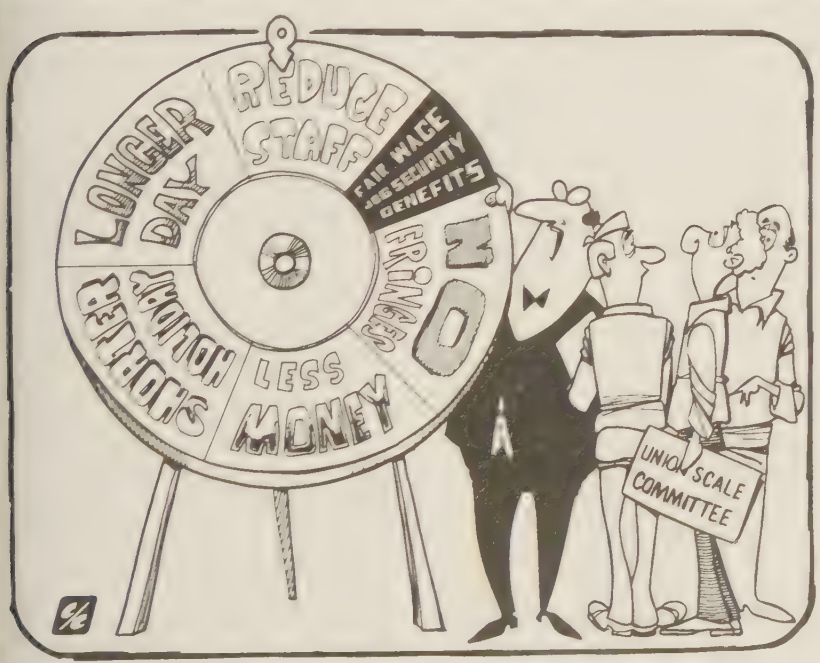
Bill Megalli

nge benefits, which presently count for one third of total nual employee compensation in nada and the U.S., are emerging the centre of a controversy ose resolution could have far aching repercussions for the nadian economy. Yet despite eir importance their role remains orly defined and largely sunderstood.

any employees, for example, ve become increasingly disen- anted with the range of benefits ey are receiving, benefits that ly a few years ago were viewed something of a milestone of orkers' achievement. At the same ne government and industry are garding one another suspi- ously, each feeling the other is anipulating fringe benefits as a eans of gaining a short-term advantage — the former to acquire political capital, the latter as a useful device for evading government anti-inflation guidelines.

Such a disturbing state of affairs undoubtedly merits a long and careful examination, first to determine how it came about, and second to determine what might be done about it. However, it must be added that in the final analysis, it seems unlikely that anything short of a complete overhaul of both approach and objectives will suffice to solve some of the problems that have emerged in the application and administration of the current system of fringe benefits.

The term "fringe benefits" was first used around 1943 by the U.S. War Labor Board. At that time, the conditions of a war economy made direct wage increases unfeasible, so companies were encouraged instead to provide indirect benefits to their employees.



Come in, come in, gentlemen, the company would like to introduce a new idea in negotiations.

Industry proved ingenious in devising various forms of benefits to attract workers in the tight labour market conditions of that period. Since then, fringe benefits have multiplied phenomenally. One important factor in their early growth in the U.S. was undoubtedly the federal wartime tax structure, which tended to confiscate excessive profits, but recognized contributions to health, welfare and pensions as legitimate, and therefore non-taxable, business expenses. This enabled many companies to set up elaborate fringe-benefit plans with little reduction in after-tax income.

Subsequently, fringe benefits have become an important element in labour-management bargaining in both the U.S. and Canada, growing in importance to such an extent that they are presently estimated to represent between one quarter and one third of total compensation costs. In Canada, for example, the authoritative Thorne Riddell survey of fringe benefits, which encompasses a cross-sectional sample of 155 leading companies with a total employee labour force of nearly 438,000, estimated that by 1978 average employee benefit costs had risen to 31 per cent of gross annual payroll, compared to only 15 per cent in 1953.

Of the total fringe benefit figure of 31 per cent, paid vacations, at 6 per cent of gross annual payroll, were the most costly single

WINDSOR LUTHERAN COLLEGE

component. Welfare benefits were next at 5 per cent, followed by organization pensions at just over 4 per cent, coffee breaks and rest periods at 4 per cent and statutory holidays at 3.8 per cent.

The Thorne Riddell survey defines fringe benefits generally as "pay for time not worked." However, it is worth noting that in practice the ever increasing number and variety of fringe benefits defy simple definition. Indeed, one well known text on wage and salary administration lists no less than 113 items that could be classed as fringe benefits. Moreover, the author goes on to stress that even this must be considered a 'selective' list. It is evident that the number of benefits that may be devised for such varied reasons as improving a firm's competitive edge in the labour market, or circumventing anti-inflationary guidelines, is potentially limited only by the ingenuity of the negotiating parties.

Even though employee benefit costs in the United States continue to be higher than those in Canada, it should be noted that for a number of reasons, the difference may in fact be less than it seems. For one thing, old-age security tax is included in the U.S., but not in Canada. For another, the subject has received more thorough study in the U.S., so the sheer bulk of available data could make the difference appear larger than it actually is. In any event, available figures show that employee benefit costs are now rising faster in Canada than they are in the U.S. Between 1973-74 and 1975-76, for example, employee benefit costs in Canada rose from 28.13 per cent to 31.11 per cent of gross annual payroll, an increase of 10.59 per cent, while in the U.S. benefit costs rose during the same period from 32.7 per cent to 35.4 per cent, an increase of 8.3 per cent. It is hard to escape the conclusion that this faster growth in Canada is due, in part at least, to the introduction of the AIB guidelines on pay in 1975.

It should also be noted that Canada leads the U.S. in granting both employees and their families government protection against such major risks as unemployment and disability — a fact that was emphasized by Claude Poulin, assistant director of the social security department of the United Auto Workers (UAW) in Detroit, during his address to a recent symposium on industrial relations

...fringe benefits are presently estimated to represent between one quarter and one third of all compensation costs

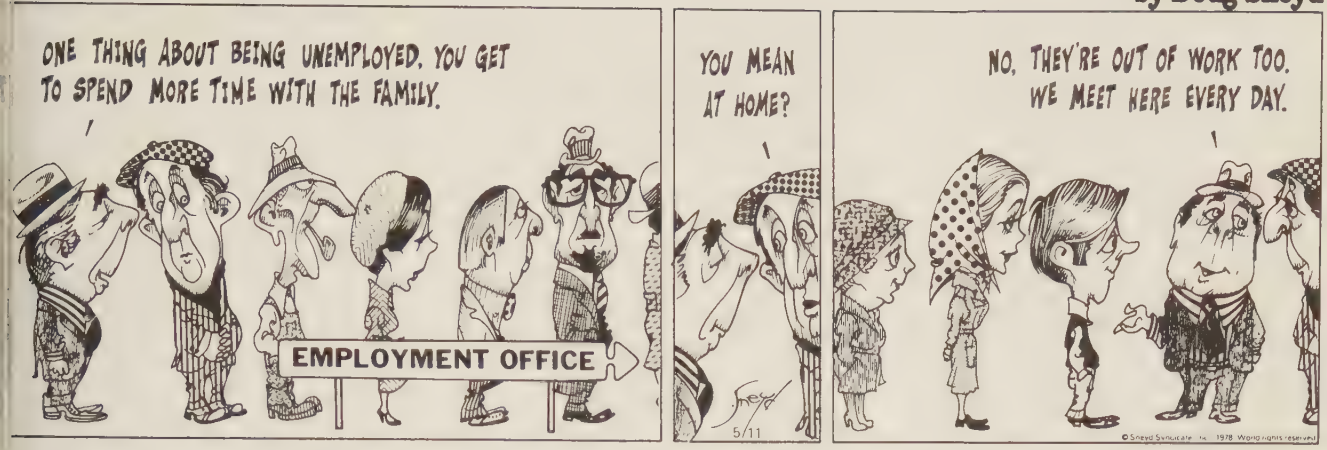
sponsored by the University of Montreal. However, Poulin went on to add that this had not always been the case, pointing to the fact that one major component of the Canadian social security plan, namely the Canada Pension Plan and its counterpart, the Quebec Pension Plan, was scarcely more than 10 years old. He also noted that in contrast to Canada, the United States has not yet established a universal health plan — a fact which makes provisions covering medicare an important element in many U.S. fringe benefit packages.

In many respects Canada's position in the area of fringe benefits is unique, striking a balance between the situation prevailing in the U.S. and that in Europe, where the role of government, under the banner of "social security," is much more predominant. European countries, Poulin noted, in addition to matching fringe benefits applied in North America, "also provide their citizens with much better protection against unemployment than we do, not only in terms of the amount and duration of benefits, but also in terms of legislation pertaining to the closing of factories and of various controls governing mass layoffs, whether temporary or permanent." Although he went on to add that social measures such as these are almost invariably implemented in the face of opposition from employers and businessmen.

The balance between public and private provision is undoubtedly a highly complex issue; moreover, much depends upon the precise nature of the particular fringe benefit being considered. Some benefits clearly fall more readily into the public domain than others. For example, there appears to be significant support in Canada for greater government involvement in the area of pension provision. At the 1977 Montreal symposium in particular most of the papers presented supported such a development. Indeed, even those who were against it saw a more active government role as largely inevitable, and consequently advised companies to prepare for such an eventuality in their future benefit planning.

One leading speaker, Raymond Depatie, told the symposium: "One of the most hotly debated issues in the past few years is the almost complete takeover of old-age security plans by the government. Not only is harsh criticism being levelled more and more frequently at the system of private pension plans, but also a growing number of people wish that system to be replaced with an improved public plan." In particular, Depatie questioned whether the present private pension plan system was capable of filling the gap that exists between the desired goal of a standard of living for retired people that is not too far below that enjoyed while they were members of the labour force, and that made possible by the existing

by Doug Sneyd


ONE THING ABOUT BEING UNEMPLOYED, YOU GET TO SPEND MORE TIME WITH THE FAMILY.
EMPLOYMENT OFFICE
YOU MEAN AT HOME?
5/11
NO, THEY'RE OUT OF WORK TOO. WE MEET HERE EVERY DAY.

ocial security system. "First of l, a significant percentage of oday's workers are not covered by private pension plan," Depatie bserved, adding that where they o exist the pensions paid by rivate plans are more often than ot ridiculously small.

This is due in part to the fact that great many companies — particularly those in the small and medium-sized categories — as well as many small public administrations — do not consider themselves capable of providing large sums of money for the financing of pension plans," he said.

Unfortunately, since it is impossible to expect that the capability and the desire of companies to pay for pensions will miraculously increase, that worker mobility will decrease or that inflation will vanish, it is rather difficult to foresee the day when the private pension plan system will provide adequate pensions for all workers who retire, and not just for a minority who have enjoyed stable employment with a single employer who had both the ability and the desire to set aside considerable sums for the financing of a pension plan." Depatie said improved public plans were therefore a must.

The problems of private provision in the area of fringe benefits in general, and of pensions in particular, were also raised at the University of Montreal symposium by Jean Champagne of Alcan Aluminium Ltd., who suggested that, "The wide variety of fringe benefits offered by companies and the differences in structure which characterize them are, without question, major obstacles to the movement of employees from one company to another." As far as specific benefits are concerned, he went on, "pension plans pose a considerable problem because of the number of years required to accumulate funds. Life insurance plans also present obstacles, since the cost of insuring against risks rises with age." To solve these problems, Champagne suggested that thought should be given to expanding government plans, particularly in the area of pensions, should it become apparent that it would be too difficult or take too long to effectively co-ordinate existing private plans.

In many respects Canada's position in the area of fringe benefits is unique, striking a balance between the situation prevailing in the U.S. and that in Europe

The imminence of government action was pointed out at an earlier Conference Board symposium by Garson E. Beadle, director of William M. Mercer Ltd., who also took the opportunity to criticize the government for what he described as the over-generous benefits paid to public servants, which, he said, seemed to make private-sector employees increasingly dissatisfied with their benefit levels. "Where an employer's responsibilities and rights will end, and where government's begin, is being fought over right now," Beadle said. "Who we bargain with for benefits is becoming increasingly vague. So long as it is a union, you can identify it and assess its expectations and strengths. More and more, however, decisions will be made in the political arena, with all the distortions, misread goals, and public coaxing that characterize our present system," he added. Beadle had this warning for companies: "Failure to accurately forecast the future direction of governments in the field of benefits can prove very costly if employers must continue to pay the full cost of plans. In the field of benefits, the question of the future is not so much, 'what will labour demand', but rather 'what will governments impose'.

"If costly oversights, errors and

surprises are to be avoided, employers will have to remain alert to government changes, and act quickly to either influence the direction of government policy or adjust their own plans accordingly," he said. "The turtle race between government and private enterprise to plunge into yet another costly stream of benefits continues, with industry waiting to see what government will do next, and with government nervously watching the rocketing costs of medicare before stepping into the equally bottomless pit of dental care costs." "But" he added "individual items like these are rather inconsequential compared with the general re-ordering of the roles of government and industry which is occurring quietly but rapidly.

"The influence of government," he went on, "falls into several categories, including increasingly generous benefits for civil servants; increases in social benefits such as the Canada Pension Plan, Old Age Security, Guaranteed Annual Income in Ontario, and increased costs from meeting human rights requirements; the use of the tax system to influence the development of private plans and to pay for government plans. This leads us to the point where the integration — or non-integration — of private plans with government plans becomes an increasingly important matter. If plans are integrated poorly, an employer may easily stand accused of saving money at the expense of employees, whenever governments increase their benefits."

One thing that emerged quite clearly from the 1977 University of Montreal symposium was that there was general dissatisfaction with the existing structure of fringe benefits among all the delegates present, whether from the ranks of workers, unions or companies. The UAW's Poulin, explained that unions have been forced to negotiate a variety of supplementary benefits at the bargaining table, a fact which accounts for "the impact that unions have had on the phenomenal growth of fringe benefits during the last 25 years." Yet the unions remain dissatisfied. "They would actually prefer that the fringe benefits enjoyed by their members be made part of a universal social security plan," he said.

"Have flexibility and a maximum of employees' choices reflected in your plans, so that they can see evidence of concern for their individual welfare and can select benefits to suit their changing needs..."

These observations are clearly very significant, coming as they do from a representative of the UAW, which has nearly 1.5 million members in the United States and Canada, as well as 300,000 retired members. In fact it was the UAW that pioneered the bargaining and development of fringe benefits back in the 1940s. The first industrial pension plan was negotiated with the Ford Motor Co. in 1949, and the first supplementary unemployment benefits plan in 1955.

The UAW also broke new ground by negotiating pension plans for the majority of its members' survivors, as well as dental care plans, eye and ear care plans and others. However, Poulin went on to explain that unions regard fringe benefits as a last resort.

"Compared with public plans, they have several disadvantages in terms of improving the financial security of the population" he said. "First of all, they are distributed unequally: a powerful, well-organized union dealing with a thriving company can negotiate sizeable benefits for its members, whereas a weak one in a declining sector of economic activity is unable to do so. Furthermore, negotiations for new fringe benefits or for the improvement of existing benefits all too often result in a proportionate reduction in the amount allocated to wages.

"But above all," Poulin emphasized, "union resources are mobilized in an area (i.e. fringe benefits) which, while it is obviously of considerable importance, all too frequently takes precedence over others such as health and safety, which are equally, if not more important."

That workers are dissatisfied with many aspects of existing fringe benefit provision was further illustrated by the remarks of Carson Beadle of William M. Mercer Ltd., who cited the results of a recent 'climate review' designed to elicit employees' perceptions of their compensation and benefits. According to Beadle, the review indicated serious dissatisfaction with their pension plan despite what he termed its 'Cadillac' provisions. Discoveries such as this, it appears, have led many companies to complain bitterly that they are receiving an unacceptably low return from their investment in fringe benefits.

Beadle also suggested that "a significant portion of the value of most compensation programs is being lost because a complete and total approach to all of the combined elements has been difficult to achieve. Because we do not continuously review each item of compensation in terms of the totality of compensation, and because we fail to take full account of our employees' 'perception' of the compensation package, an important share of compensation costs is literally squandered," he said. "Benefit consultants have seen the same oversights, the same absence of a global view, turn

ld and costly income security grams into objects of derision, licism, and wasted dollars."

idle had this advice for em- yers: "Have flexibility and a ximum of employees' choices lected in your plans, so that y can see evidence of concern their individual welfare and can ect benefits to suit their nging needs, rather than luring benefits which have been bosed or sold by an employer his insurer. In the process, intain a sound 'base' of benefits ich will protect both the em- yee and employer against entially unsound employee oices."

e system of providing workers h the opportunity to select nefits to suit their needs has me to be termed "cafeteria com- nsation." Because of its poten- l flexibility, such a system is arly highly desirable in prin- ple; however it is often difficult implement in practice because the added strain it places on anagement and personnel re- urces. This fact notwithstand- g, cafeteria compensation has apparently been applied in Europe with satisfactory results, particularly by smaller companies with a limited number of employees. In North America, however, it remains a concept which, though widely discussed, is seldom applied. Indeed, in a recent article in the *Personnel Journal*, David J. Thomsen pointed out that while more than 150 articles have been written on the subject, an extensive review revealed only two major organizations that have adopted compensation programs that genuinely qualified as cafeteria plans. Part of this reluctance is undoubtedly due to the potential complexity of such plans, yet with the wide availability of modern computer payroll methods they should be easily within the capability of many Canadian companies.

A further reason advanced for the limited development to date of cafeteria compensation in Canada is the lack of any effective pressure in this direction from unions. Several observers at the Montreal symposium foresaw significant changes in this direction, however. As one speaker put it, "such compensation schemes will undoubtedly fare better in the next few years, once enough companies implement them on an experimental basis, and owners, by virtue of competitive pressure, are forced to follow suit."

"WOULD YOU MIND HURRYING? MY TRANQUILIZER IS WEARING OFF."

Reviewing the rather turbulent history of fringe benefits, it appears certain that, despite their many shortcomings, nothing is likely to arrest their growth. Regardless of some disenchantment, management is only too well aware that worker preference for staying with a given employer is often closely related to how many fringe benefits the worker receives. Moreover, workers for their part have consistently displayed a preference for the rearrangement rather than outright abolition of benefit distribution. In one auto parts factory, for example, one third of the employees surprisingly opted for spending new resources for benefits on training and making their work more interesting while another 40 per cent chose to spend money for increased benefits on improving health and safety protection.

In the light of these findings, one speaker in Montreal was led to speculate that: "some day in the not so distant future, employees might even be willing to sacrifice certain existing wage improvements or fringe benefit levels and substitute instead greater improvements in the quality of their work lives in order to assure a longer and healthier life."

It is fact, not mere speculation, to say that a new, more comprehensive outlook on fringe benefits is developing in Canada — part of it undoubtedly out of sheer necessity. Such an outlook should hopefully help resolve some of the seemingly irreconcilable views that were expressed at the 1977 symposium on fringe benefits sponsored by the University of Montreal. lg

A conversation with John Bulloch

by Paulette Bourgeois

John Bulloch Jr., 43, the son of a tailor, and an engineer by profession, erupted onto the public scene when he led the insurrection against Edgar Benson's 1969 tax reforms. Now he hobnobs with the Prime Minister and pontificates, from his suburban Toronto office, on the evils of taxes, large business and the Third World threat. His ramblings might be ignored if they were not coldly reasoned and if he were not the president of the fastest growing pressure group in the country — the Canadian Federation of Independent Business.

In less than five years, Bulloch has watched his following grow from a smattering of tax reform loyalists to an organization that boasts 46,000 members and a budget of $3 million. It is the powerhouse that challenges the Canadian notion that big is better — and Ottawa is listening. The Federation claims it persuaded Ottawa to amend the Income Tax Act to soften the bite on small business and takes partial credit for the UIC and Manpower merger. Witness the appointment of a minister for small business and it is clear that Ottawa thinks Bulloch has some ideas worth considering.

If the Federation is successful, it is because Bulloch knows how to get attention and throw his weight around. "The country needs Munro's 14 points like it needs a hole in the head," he shouts. "You could dump 100,000 bureaucrats in about two years if you had to — they aren't really necessary," he says, attacking big government spending. It is vintage Bulloch; but behind the brash outspoken façade is a man with ideas who wants action.

Bulloch, with Global Television's business editor Raoul Engel.

The Federation has adopted a National Industrial Policy, something the government has yet to realize, which suggests Canada must increase regional self-sufficience and Canadians must increase their self-reliance. Bulloch says that unless the individual identities, priorities and dignities of each region are faced Canada will founder. Resources must be diverted to developing new industries and energy sources and there must be a reduced reliance on the public and private bureaucracies, he says. Canadians cannot expect the government alone to deal with the realities of slow growth and expensive energy.

...behind the brash outspoken façade is a man with ideas who wants action

"There is almost no short-term change in educational policy, no short-term change in tax policy, no fiddling with exchange rates that

going to affect the fact that ere are 10,000 manufacturing s a month leaving the country," says. Furthermore, Canadians going to have to hurt before ngs get better. "The country has take a cold bath before it can direct its resources. We are ing to hurt for five more years. ere isn't much the government n do to really turn around the ess we are in until the 1980s."

though Bulloch is confident nada will survive if it follows his hall-is-beautiful theory, he paints gloomy picture of the next cade. Developing countries have ormous numbers of low-paid orkers making products that dersell labour-intensive manu-ctured products in Canada's own arkets. At the same time Canada bound by a commitment to free cess to Canadian markets cause of the General Agreement Trade and Tariffs.

The country has to take a cold ath before it can redirect its esources. We are going to hurt or five more years"

The key to international develop-ent is small-business develop-ent," he says adamantly. "There st isn't enough capital anywhere the world that can provide jobs r the armies of young and educa-d kids pouring on to the job arkets in the Third World." The ey is also Canadian research and evelopment: to replace the jobs at will be lost to Third World ompetitors and through Ameri-an-owned branch closings, anada must rely on development of an indigenous secondary manufacturing sector that is capable of supporting itself over the long run, says Bulloch.

If the Third World is generating an army of educated young workers, Canada is facing its own problems with unemployed and underemployed youth. More than 30 per cent of Bulloch's members complain that they cannot find skilled labour.

"Our problems are a function of a decade of affluence. Now the era of affluence is over and it won't ever come back again. Once people understand the reality of what that means there will be changes in social policy as well as manpower policy. Every kid won't grow up to be a vice-president of marketing or sales. They may have to work with their hands. Parents have to change their aspirations for their children when they realize education prepares you for nothing other than filling out unemployment insurance forms."

Government education programs aren't the answer he says flatly. He points to Europe where 75 per cent of the young go into apprenticeship programs. That isn't necessarily the Canadian solution he says, but he thinks there will be more education in later life and more on-the-job-training in the future.

According to Federation literature, the three biggest problems facing small business are paperwork, regulations and taxation. But high on the problem list is the threat of unions. Generally the union leaders and small businessmen see eye-to-eye, but Bulloch feels their stand on sub-contracting could kill the future of small business.

"We want to see massive sub-contracting from the public to the private sector and from large corporations to small business. The unions want to prevent that so their membership doesn't fall"

"We want to see massive sub-contracting from the public to the private sector and from large corporations to small business. The unions want to prevent that so their membership doesn't fall. To me, that doesn't seem to be in the public interest."

Although Bulloch says he is sympathetic to the union cause he also thinks unions only take hold where there is poor management. Bulloch is a strong supporter of the U.S. right-to-work laws. "A lot of people see that as reactionary, but the more I look at it, the more I like it," he says. "I think you will see it become law in British Columbia within a year. It will become a big issue in Canada and that's like waving a red flag in front of a union leader. They just go beserk."

Bulloch admits he may not have all the answers — just most of them. And one thing is certain, he has discovered the last hidden oppressed minority — the bakers, the grocers, the tailors and the manufacturers of coathangers and bath mats. They finally have a voice and it's booming. lg

comment

An eternal search for gimmicks

The discussion goes on and on about effective managerial styles. Everybody wants a simple formula, a simple description of a simple technique on how to maximize employee productivity. Old philosophies get stale. Give us something new. Maslow, McGregor, Argyris and Likert are old hat. It's like changing doctors: we know what the ailment is and we damn well know the cure. But we hope that a new medicine man will scare away the bad spirits, without our having to agonize through a change.

A correspondent writes: "Whatever happened to behavioral science?" A visiting human relations specialist is asked, "What's new in the human relations field?" It's an eternal search for gimmicks and yet we are all critical of gimmickry.

Some of us conceive of ourselves as being too sophisticated to examine or re-examine old principles of good human relations. The GOLDEN RULE? That's ancient history, man! Or perhaps we believe that Mr. Average Employee has become too sophisticated or too cynical to respond.

Or we may say: don't give me that crap about a man's hierarchy of needs. You see that man over there? I've tried everything on him, to motivate him. All he needs is one great big boot in the ass. If I give it to him, I'm the one who'll get fired. I've had him right up to the eyebrows so maybe you'd like to find what his next higher need is. And I've had it right up to there too on all that motivation and behavior guff.

So it's not working and we wonder why.

Sometimes it helps to study the same kind of problem, set in a different environment. Take a look, for instance, at a marriage that's on the rocks. EVERYBODY knows why that marriage is failing. Everybody knows the cure. The cause is that he/she is violating some simple human relations principle. Bring in the experts and the problem starts getting buried under a pile of abstractions. The simple solution — start treating her or him with respect — gets lost. And even if it's not lost, even if the person is fully aware that the central problem is his/her own wrong attitude, will he or she change it? He MAY, but he can only do it if he has the strength and determination to overcome his worst enemy: himself.

So don't knock the old principles. Keep it simple. Don't confuse the issue with gimmickry. Take a leaf out of the old JIT (Job Instruction Training) book: if the learner hasn't learned, the teacher hasn't taught. Turn it around a bit and face the fact that if you are not managing people efficiently, you're not a good manager. Don't blame the people whom you are trying to manage. Who is in charge? Who has the responsibility?

Sitting on every failed manager's shoulder is his favourite devil: attitude. Don't we just love the rascal! Do you really want to get rid of the devil? Do you want to move things, using people? Picture this scene:

You, a theory "X" manager, are in a boat (up the creek) without oars, and you are drifting down to the falls (disaster, a failed career) and you can't swim.

And there's a man on shore who can throw you a rope (getting things done, through people) and he is inferior to you (a subordinate).

What ATTITUDE will determine the kind of words you will use when you call for his help? Will you say "Don't stand there, you dumb bugger. THROW ME THE ROPE!"

Every manager of people is up the creek, without a paddle, every working day of his life. And every day, in every contact, his attitude should be influenced by the selfish realization that, if he doesn't get help from the man on shore, he is headed for disaster. That's fair incentive to change an attitude.

Apart from making a persistent effort to apply good principles of human relations, one needs still another ingredient: a confident hope that over the long haul, the results will meet expectations. It can be very discouraging to use new (good old) human relations practices in an environment in

hich there is a strong backlash
om old theory "X" attitudes and
tions. But organizations don't
rn themselves around in a day or
week, or even in a year. Old
spicions, old attitudes, old
lversary relationships die a hard
eath. And so do our own frailties.

So send not to ask why it worketh not. Look into thyself, man.

J.R. Nadeau
Associate Editor
Canadian Personnel and Industrial Relations Journal

plea for solidarity

am a union man down to the last
olecule, but one who is not
mused by the current state of
fairs. In fact, I am a little on the
ngry side. For in the past five
ears, the labour movement has
one a remarkably poor job of self-
romotion.

et us say that there has been
ovement; but it has been at best
low, debilitating, and undeniably
ackward. (Immediately, I hear
ries of "foul," "brainwashed
atsy," "negative publicity," and
slanted media coverage"). Tough.
ust what do we expect? What do
e expect when fully two thirds of
he Canadian labour force is non-
nionized, and the bleatings of the
ther one third are nothing but
eactionary drivel? I'll tell you what
e can expect — more Rand
ormulas, more pooh-poohing of
he media, an ever-decreasing
rotherhood, and the alienation of
he next generation of Canadian
abour.

iood heavens, have you talked
with the young lately? It appears
hat union membership is as
opular with the young as big-
hand jazz and scurvy; which is to
ay, not at all. And why is it that
oung workers find the taste of
nion brotherhood so bitter? Is it
ecause 'solidarity' has come to
nean absolutely nothing? Is it
ecause social and economic
ustice has more to do with the
grievance pad than with real
commitment? Or is it perhaps that
worker's rights' have come to mean 'executive privilege', and are tossed over when the cent-per-hour haggling begins?

Do you not see that solidarity, one-for-all and all-for-one — the old gut-quaking, fire and hellstone selflessness has been abandoned? When you hear young workers speaking of 'the right to work' and the right not to belong, surely then you *must* be aware that something is seriously wrong with the direction (both philosophically and authoritatively) of the labour movement in Canada.

Solidarity. What is that? One million workers off the job during a day of protest two years ago? Hell, it was a waste of time for everyone but the slogan writers and placard makers. There was more solidarity shown by the workers who remained *on* the job. And these are the people, the great majority of workers who feel that we have nothing more to offer than petty demonstrations and tired strains of an old Wobbly ditty. Perhaps if we made some sensible, visible signs that organization is to be desired; some attempt at education; some unselfish spade work that would show every barefoot boy from St. John's to Victoria that union people care about his right to a decent level of income, then, maybe...

But. June 9th, 1977, the electorate of Ontario went to the polls and the candidates of the New Democratic Party were abandoned — yes, *abandoned* by the working, unionized voter. Why? Because that party had the audacity to suggest the minimum wage be raised to $4.00 per hour, that's why. The brotherhood was angered that its own party had actually proposed such a heinous idea. These workers and trade unionists were afraid that:

1) If the unorganized received a decent, humane wage, no one would want to join a union;

2) There would be no 'status' in being a union member, with the unorganized hauling in such a 'hefty' wage;

3) If Joe Blow gets four bucks without having membership, why should I pay union dues and get only eighteen cents more than he on a three year contract?

And there you have it, brethren — the death of the labour movement. Everytime I hear the word 'solidarity' I choke. For if we choose to abandon our political and social ideals; if we choose to abandon the political and economic necessity of unions; if we choose to abandon our unorganized brothers and sisters because they may wind up *equal* — then the labour movement is worse than dead — it is a phoney, sickening sham.

Ken Duffin
CUPE Local 1946
Guelph, Ont.

Punch

"Watch your tongue! You're not talking to your boss now, you know."

Books

Work and Wages

by **Jean Evans Sheils and Ben Swankey,**
Trade Union Research Bureau, Vancouver, 1977.

Arthur Evans, known as "Slim" to his friends, rates a prominent place in the history of the labour movement in Canada; both because he was a colourful personality and because of the part he played in important events.

Best recognized as leader of the Vancouver-to-Ottawa Trek of 1935, Evans also was a leader in many areas of organization and left-wing politics in British Columbia and Alberta. *Work and Wages* is the story of his life, from 1890 to 1944.

Described by the authors as "a semi-documentary" this is a collection of official documents, Evans' own recollections, newspaper accounts and interviews; all laced together by the authors' comments. The book's 8½ by 11 inch format lends itself to this treatment. Some may find the book too detailed. The authors have apparently drawn heavily on the 52 volumes produced by the inquiry into the Regina Riot, but in places the sources are not identified quite as clearly as they might be. Nevertheless, this is an impressive and interesting collection.

Evans was a dedicated Communist, one of the authors is his daughter, the publisher is a recognized left-wing organization. All this naturally leads to a particular point of view; but it is one from which it is logical to examine "Slim" Evans' story. This collection of material further substantiates the opinion of Canadian labour historians that a unique contribution to the development of unions in Canada was made by Communists and their organizations, regardless of the long-term objectives. They were often prepared to tackle difficult and unrewarding challenges in which the established trade union movement showed little interest. Evans was in the forefront of such efforts.

Born in Toronto, he went to the western United States as a young man. It was there that he came in contact with the revolutionary Industrial Workers of the World — the IWW or "Wobblies". He was on the scene of the famed Ludlow Massacre in Colorado and suffered a leg wound.

A short time later, as an officer of the United Mine Workers in Alberta, he ran into trouble with the union when he diverted international union headquarters funds into a strike fund. He was charged with fraudulent conversion, convicted and served time. But he never repented the action.

A carpenter by trade, he had a running feud with the establishment officers of the United Brotherhood of Carpenters and Joiners. Beyond these difficulties, his union activities resulted in frequent clashes with the authorities, and he became familiar with the inside of a number of jails.

What You've Always Wanted to Know about Work has been produced by Labour Canada to inform young people about the working world.

It contains a series of easy-to-read articles dealing with some basic aspects of Canada's industrial relations system: the framework; the roles and responsibilities of the different participants; the objectives and problems; as well as a glance to the future.

Copies of this publication can be obtained free, in English and French, from the Public Relations Branch, Labour Canada, Ottawa, or from one of the department's regional offices across Canada.

bre than half the book is devoted the Ottawa Trek, starting with le unrest in British Columbia lief camps where young men ere working for 20 cents a day. In ne 1935 nearly 1,000 men, led by ans, climbed aboard freight ains in Vancouver, bound for ttawa to present their grievances Prime Minister R.B. Bennett. ney were joined by others along le route; but Bennett issued ders to the police to halt the trek Regina.

the government's suggestion a nall committee went on to ttawa to meet members of the binet. It was a boisterous but uitless meeting. Bennett called ans a criminal and Evans torted that the Prime Minister as a liar. The meeting deterio- ted into a shouting match.

nen came the Regina Riot, which ccurred when police broke up a meeting in the city's market square. In the melee a policeman was killed and scores were wounded. Police arrested 50 trekkers. A subsequent investigation reflected unfavourably on the police performance; but the affair marked the end of the trek. Transportation was provided for the men to return to their homes.

Ill health forced Evans' resignation as an organizer for the International Union of Mine, Mill and Smelter Workers in 1939. His last job was in a West Coast shipyard, and it was typical that he should still be active as a shop steward. He died of injuries received when he was struck by a car.

Evans would be proud of this memorial to his work.

Jack Williams

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nternational Labour tandards

workers' education manual

nternational Labour Office, eneva, International Labour rganization, 1978

With this workers' education anual, the International Labour rganization (ILO) has "demysti- ed" its role as a standard setting rganization. It spells out the ILO's istory in seeking standards, the ays in which standards may origi- ate, and the lengthy process of ripartite consultation and discus- ion that precedes the adoption of convention or recommendation y the International Labour Confer- nce — the ILO's annual confer- nce.

Just how much consultation is involved in reaching an "internationally agreed upon standard of good practice in labour matters" is illustrated by a case history — the Guarding of Machinery Convention. Work began on it in 1959, when the ILO governing body instructed the director-general to submit a report on the law and practices in ILO member states on the sale, hire and use of inadequately guarded machinery. Four years were required to complete the process of circulating a preparatory report to governments, appointing a tripartite committee, adopting the committee's report and circulating it to governments for comment and the presentation of the committee's final text of a convention to the International Labour Conference that adopted it.

International Labour Standards also presents a "bird's eye" view of the ILO standards adopted so far and outlines the complaints procedures for dealing with alleged violations of conventions by member states. A final chapter is devoted to the practical effects that conventions and recommendations have had over the years among member states. It contends, and rightly so, that the standards "have exerted and continue to exert their influence in every corner of the world, in industrial and developing countries alike, and that the policy pursued by the ILO of adopting standards designed to be universally applicable would appear to be still fully valid today." One obvious reason for this is the lengthy process of consensus achieving among disparate interests described in detail in the manual's 98 pages.

An appendix classifies the standards by topics under 10 main headings that indicate their wide range: employment, conditions of work and social policy, social security, industrial relations, employment of women, employment of children and young persons, special categories of workers, labour administration, and tripartite consultation.

While written primarily for workers' education instructors and trade union officials, this manual is useful for law students, industrial relations practitioners, legislators and anyone interested in human rights, including the right of freedom of association. It is particularly useful for Canadians involved or interested in industrial relations because it demonstrates that while tripartism may be a possible means of achieving relative harmony among government management and labour on some issues, it is by no means an easy one.

Roy LaBerge

Research Notes

Arbitration

Industry and Expedited Arbitration: Alternatives to Traditional Methods. Federal Mediation and Conciliation Service, Labour Canada, 1977.

Statistical studies as well as views expressed by those involved in the grievance arbitration process have indicated that the process is subject to undue delays, formalities and excessive costs. This study analyzes and compares various approaches to 'industry' and 'expedited' arbitration in Canada. These terms encompass systems used in specific industries whereby a 'permanent' arbitrator or panel of arbitrators is selected to hear grievances arising under the collective agreement as well as procedures or mechanisms designed to expedite the arbitration process.

A number of basic features to speed up grievance arbitration recur in many of the industry and expedited grievance arbitration mechanisms. They include the use of sole arbitrators named in collective agreements, regular dates for grievance hearings, informality in the conduct of hearings, the disposition of a number of cases on a given day and requirements for accelerated rendering of awards. Most of the mechanisms, it is concluded, have reduced or eliminated all or many of the inherent defects in the conventional grievance process. In varying degrees, they have reduced arbitration costs, delays and case volume.

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"How Compulsory Arbitration Affects Compromise Activity," by Hoyt N. Wheeler. *Industrial Relations*, February 1978.

Critics of conventional compulsory arbitration have long maintained that it discourages good faith efforts on the part of union and management negotiators to reach agreement. This study introduces a set of measures of compromising activity in bargaining and analyzes these to determine whether compulsory arbitration does in fact have a detrimental "chilling" effect on bargaining.

The sample on which the research was based consisted of 140 U.S. cities which bargain collectively with locals of the International Association of Firefighters. The strategy adopted for data analysis was to construct a series of measures of compromising activity or movement by the parties from their previous positions and then to compare scores obtained in the presence of a compulsory arbitration law with scores obtained in its absence. Less movement in the presence of a compulsory arbitration law was viewed as supportive of the argument that compulsory arbitration chills bargaining.

The data provide some evidence that conventional compulsory arbitration does have a chilling effect on public sector collective bargaining with firefighters. This effect is suggested most strongly when one views management bargainers who appear to have had a reluctance to change their position on wages where a compulsory arbitration law existed. That some kind of chilling or inhibitory effect is present is also suggested by the data which show that the gap remaining between the parties' impasse positions was greater under compulsory arbitration than in cases where fact-finding was used as a method of dispute settlement.

Hours of work

La Semaine Comprimée et les Travailleurs, by Viviane Benmouyal-Acoca, René Boulard and Bernard-M. Tessier. Quebec Ministry of Labour and Manpower, 1977.

This study analyzes the effects of the compressed work week on job satisfaction and on family and social life. The research was based on questionnaires completed by 938 employees in 42 Quebec firms who worked schedules ranging from 3 days of 12 hours or more per day to 4½ days of 8-9 hours.

The responses revealed that there was no positive link between the compressed work week and job satisfaction. Nevertheless, there was little doubt that the great majority of the workers were not dissatisfied and indeed were even happy with the schedule. The effect on off-the-job satisfaction was found to be strongly positive, particularly with regard to family life and to the possibilities of making more effective use of leisure time. The study also revealed that while fatigue was

sidered to be a drawback by 28 cent of the employees, only a all minority viewed this as an ual problem. Those who did see s a problem tended to be those o worked the longest daily urs, though the nature of the rk performed was also a factor.

o satisfaction

New Approach to Studying orker Job Preferences," by oshe Krausz. *Industrial lations*, February 1978.

ost studies on the relative impor- nce of various job factors are sed on asking workers to rank ese factors in order of impor- nce. In the author's view, the der of importance of job factors influenced by the methodology led to elicit the preference order. is study outlines an approach hich yields more objective easures of worker preferences.

e study is based on answers to research questionnaire by 233 rsons, mostly managers or rsons preparing themselves for managerial career. The question- ire consisted of a series of job scriptions, each of which ntained six different reward ctors (salary, job security, etc.) th each factor representing one five possible levels (ranging om 'low' to 'high') of fulfillment that factor. Respondents were ked to rank the descriptions as a hole. On the basis of this, it was ssible to derive objective nkings of the various reward ctors. A second part of the ques- nnaire called for explicit subjec- e evaluations of the same six b factors. Subjects were asked rank the factors in order of portance when making job hoice decisions. In addition, they ere requested to assign impor- nce weights to each factor.

The results revealed discrepancies between the subjective and objective importance weights. The most striking difference related to the job security factor, which ranked low in both types of subjective evaluation yet achieved the highest objective weight among the six factors studied. The author explains this by the fact that managers sense psychological pressures to repress the true nature of their emotions and needs.

The labour market

"Employment perspectives in industrialized market economy countries," by David H. Freedman. *International Labour Review*, January-February 1978.

A number of factors suggest that high unemployment will remain a problem in industrialized countries until the early or mid-1980s and that some labour force groups will continue to be affected more severely than others. Until the impact of lower birth rates is felt around 1985, youngsters will continue to enter the labour force in sizeable numbers, exacerbating the already serious unemployment problem of this group. Women may also face growing employment problems, for unless the stock of jobs is increased to meet their work aspirations, more and more women will be competing with other labour force groups for scarce employment opportunities.

Adding to the problems that are likely to result from greater labour supply are various structural impediments, such as the possible saturation of certain labour-intensive industries, increasing mismatches between labour supply and demand, and increasing rigidities in the labour market. While many of these impediments can be attacked only through active manpower programs, there appears to be scope for regulating labour force participation and labour supply to correspond better to manpower requirements and economic circumstances.

Occupational health

The Dimensions of Industrial Disease, by Terence G. Ison. Industrial Relations Centre, Queen's University, Kingston, 1978.

It is part of the conventional rhetoric of occupational health that optimum conditions can best be brought about by the co-operation of labour and management. However, the traditional position in labour relations assigns to management's rights all questions that relate to the most effective methods of preventing industrial disease. It is only the least effective methods that can usually be advanced by labour-management co-operation. Emphasis on this approach, therefore, can be counter-productive in diverting attention from, rather than towards, the causes of industrial disease and the most effective methods of prevention. The author maintains that the labour relations framework, combined with the organization of medical education and of claims adjudication, have created a structure that tends to underestimate the dimensions of industrial disease.

Pensions

Women and Pensions by Kevin Collins, Canadian Council on Social Development, 1978.

Although women have a huge stake in the great pension debate and the indexation issue, they have been largely ignored, writes Kevin Collins, author of *Women*

and Pensions. He points out they live longer than men, they tend to retire earlier, they earn less, and many pension plans provide women with less benefits than men.

The work force is changing and yet pension plans are ignoring social trends. Households headed by women over 65 will number three-quarters of a million by 2001. The elderly, particularly women, are living in shocking poverty, says Collins. In 1975, 76 per cent of the single, divorced, widowed women 65 years of age and over earned incomes below $4,000 with the median level at $2,839.

Collins recommends the elimination of the Spouses Allowance program in the public pension system because of the glaring inequality between married women 60-64 and other women of the same age group. The allowance of a married spouse who becomes a widow before she is 65 is cut off, and single women are forced to live in poverty. He also says "poor vesting arrangements particularly affect women and result in a large element of subsidization by them of the private pension system, in view of their high turnover rates and high likelihood of receiving only their contributions back upon termination of employment."

The Old Age Security and Guaranteed Income programs should be income tested and extended to the 60-64 group according to the report. It also suggests the elimination of some tax expenditures (exemptions of one-half of capital gains, the Registered Home Ownership Savings Plan contributions and the dependent children deduction) would amount to billions of dollars which could provide the funds necessary for improved benefits in the public pension system.

Women's lower earnings and less regular employment result in them normally receiving lower pensions than male workers when they retire, a study by the United States Urban Institute finds. The Institute's Program of Research on Women and Families studied pension programs in France, Sweden, West Germany and Britain, and concluded that revisions in pension systems are needed in many industrialized countries to protect women's rights.

Work stoppages

"Concentration of industrial stoppages in Great Britain; 1971-1975." *Department of Employment Gazette,* January 1978.

Previously reported research by the British Department of Employment revealed that almost 98 per cent of manufacturing plants were free of work stoppages in an average year during the period 1971-1973. It was found, however, that the number of employees in establishments free of stoppages was about 81 per cent in an average year, indicating a concentration of stoppages in large establishments.

This recent article updates the analysis for the years 1974 and 1975. The earlier finding that, in an average year, the proportion of plants in manufacturing industry experiencing stoppages is close to 2 per cent remains true for this later period, though the proportion of employees in stoppage-free plants fell to 77 per cent. An analysis of the data by size of establishment shows that, in 1974 and 1975, fewer than 6 per cent of the plants employing up to 500 employees had stoppages, compared with 17 per cent of plants employing 500-999 workers and 38 per cent of those employing more than 1,000 or more.

The foregoing was prepared by ***Laurence A. Kelly****, an independent industrial relations writer and researcher in Kingston, Ontario.*

Back issues of *The Labour Gazette*

A recent inventory shows that we have on hand — free for the asking — a limited number of copies of the following issues of *The Labour Gazette.*

1976: October.

1977: February, August, October, November.

1978: April, May.

Anyone wishing to receive any of the above may obtain them by writing to: Editor, *The Labour Gazette,* Canada Department of Labour, Ottawa K1A 0J2.

Additions to the Library

e publications listed below are cent acquisitions. They may be rrowed through a local library usiness, university, public, etc.) directly — if there is no local rary — by writing to The Chief rarian, Labour Canada, Ottawa, tario K1A 0J2, indicating the thor, title and publisher.

bitration, Industrial

eeler, Duane. *Arbitration for the cal union.* Chicago, may be rchased from Union Representa- ve, Roosevelt University, 1977. 5p.

andbook for local union officers. iscusses the arbitral process, terpretation of agreements, the oncept of past practice, presenta- on of evidence, and protection gainst discipline and discharge.

ompany Unions

evant, Victor. *Capital & labour: artners? two classes — two iews.* Toronto, Steel Rail Educa- onal Publishing, 1977. 276p.

orporations

anter, Rosabeth Moss. *Men and omen of the corporation.* New ork, Basic Books, 1977. 348p.

orporations, International

lultinationals, unions, and labor elations in industrialized coun-tries. Robert F. Banks and Jack Stieber, editors. Ithaca, N.Y., New York State School of Industrial and Labor Relations, Cornell University, 1977. 200p.

Conference papers by union, management, government and academic representatives, focussing on three major issues: the locus of industrial relations decision making in multinationals; the impact of multinationals and unions on home and host country industrial relations systems; and the response of organized labour to the MNC challenge, including union attitudes, policy alternatives, and tactics and strategies used in combatting the impact of multinationals.

Directors of Corporations

White, Terrence H. *Power or pawns: boards of directors in Canadian corporations.* Don Mills, Ont., CCH Canadian Limited, 1978. 88p.

Educational Leave

Moltke, Konrad von. *Educational leave for employees; European experience for American consideration,* by Konrad von Moltke and Norbert Schneevoigt. San Francisco, Jossey-Bass, 1977. 269p.

Programs sponsored by employers for learning during non-working hours are common in the U.S., and a few unions have negotiated leaves in their contracts. This study analyses the leave policies of various European countries, which have gone much farther. Includes discussion of problems in educational leave policies.

Hours of Labour

Québec (Province). Ministère du travail et de la main-d'oeuvre. Service des études en organisation du travail. *La semaine comprimée et les travailleurs — incidences sur la satisfaction au travail et la vie extra-professionnelle:* rapport-synthèse de recherche, par Vivianne Benmouyal-Acoca, René Boulard et Bernard-M. Tessier. Québec, Éditeur officiel du Québec, 1977. 167p.

Stewart, John Carroll. *A flexible approach to working hours.* New York, AMACOM, 1978. 278p.

Industrial Disputes

Québec (Province). Ministère du travail et de la main-d'oeuvre. Direction générale de la recherche. *Grèves et lock-out au Québec, 1966-1976: quelques précisions sur les modes de compilation,* par François Delorme, Gaspar Lassonde et Lucie Tremblay. Québec, Éditeur officiel du Québec, 1978. 36p.

Industrial Relations

Crispo, John H. *The Canadian industrial relations system.*

Toronto, McGraw-Hill Ryerson, 1978. 570p.

A basic introductory text in Canadian industrial relations. Chapters discuss the nature of the Canadian socio-economic-political system; the constitutional and legal system; the changing industrial relations climate; employer policies and practices; employee organizations; the history and structure of the labour movement in Canada; the philosophy, politics and problems of the Canadian labour movement; third party interests in collective bargaining; the labour market; labour standards legislation; personnel administration; collective bargaining; industrial conflict; inflation and collective bargaining; and the future of industrial relations.

Labour Conditions

Palm, Goran. *The flight from work.* Translated by Patrick Smith. Introduction by Dorothy Wedderburn, with a foreword by Peter Docherty. Cambridge, Eng., Cambridge University Press, 1977. 204p.

Experience of a Swedish writer who worked incognito as a manual worker in a factory. Suggestions for the improvement of the work situation include radical changes in work organization, union operation and shop-floor attitudes. Comments on the suggestions are provided by the author's co-workers and by management and the unions.

Older Workers

Kendig, William L. *Age discrimination in employment.* New York, AMACOM, 1978. 83p.

Pensions

Lucas, Harry. *Pensions and industrial relations; a practical guide for all involved in pensions.* Oxford, Pergamon Press, 1977. 191p.

Written from the British trade union viewpoint, and designed to assist union and management representatives in dealing with a broad range of pension questions during consultation and bargaining. Examines current legislation, the planning of pension schemes, communication of pension information to beneficiaries, and membership participation in pension schemes.

Retirement

Sheppard, Harold L. *The graying of working America; the coming crisis in retirement-age policy,* by Harold L. Sheppard and Sara E. Rix. New York, Free Press, 1977. 174p.

Women — Employment

Mackie, Lindsay. *Women at work,* by Lindsay Mackie and Polly Pattullo. London, Tavistock Publications, 1977. 192p.

Discusses prejudice following British women in education, training and the work place, and the unique problems faced by working women in the care of children and coping with housework. Summarizes current legislation on sex discrimination, equal pay, health protection, pensions and maternity leave and pay.

PRICES, EMPLOYMENT, AND EARNINGS

THE LABOUR MARKET — APRIL 1978

The seasonally adjusted unemployment rate remained at the record high of 8.6 per cent in April, as a slow growth in employment (0.1 per cent) was accompanied by a similar growth in labour force.

The small increase in the labour force was associated with a marginal decrease in the *participation rate*. While the participation rate for adult men was unchanged (81.0 per cent) that for adult women increased 0.2 percentage points (to 43.8 per cent). Thus the direction in the overall participation rate was determined by the drop of 0.6 percentage points in the youth participation rate (to 63.5 per cent).

The weakness in the *growth of employment* was evident in the declines of employment for youth (-0.5 per cent) and adult males (-0.1 per cent). There was, however, a significant growth (1.1 per cent) in adult female employment, as employment for this group continued to be strong. In the last three months, adult female employment has increased 2.6 per

ht (10.8 per cent at annual rates) m the previous three-month iod.

employment rates declined 0.3 centage points both for youths .8 per cent) and adult females per cent) and increased by the ne amount for adult males (5.4 cent).

a *regional basis*, employment wth varied somewhat. Rela- ely strong growth in the Atlantic ion (0.8 per cent) and weaker wth in Ontario (0.5 per cent) British Columbia (0.5 per cent) tweighed small declines in ebec (-0.2 per cent) and the iries (-0.2 per cent).

employment rates declined in o regions: British Columbia (to per cent) and Quebec (to 11.2 r cent). The rate was unchanged Ontario (7.4 per cent) and creased in the Atlantic region (to .2 per cent) and in the Prairies 5.5 per cent).

e *actual* level of employment in ril at 9,752,000 was 327,000 (or per cent) higher than a year o, and the labour force at ,750,000 was 410,000 (or 4.0 per nt) higher, as the participation e moved up 1.1 percentage ints (to 61.3 per cent). Conse- ently, the unemployment level at 9,000 was 85,000 higher than a ar ago; and as a per cent of the bour force the actual unemploy- ent rate was 9.3 per cent, 0.4 rcentage points higher than ril 1977.

B VACANCIES FIRST QUARTER 1978

e average number of jobs vacant a daily basis, reached 37,800 for e first quarter 1978, up 6 per nt from 35,600 in the last quarter 77, but compared with the first arter of 1977 vacancies dropped 1,900, or 5 per cent.

Vacancies for full-time jobs increased 10 per cent to 34,100 from 30,900 in the fourth quarter 1977.

Jobs unfilled for more than four weeks declined 2 per cent to 11,800. For every 1,000 existing jobs, 4 were vacant, as in the fourth quarter. Comparable rate a year ago: 5 per 1,000. Highest vacancy rate: Alberta, 9 per 1,000. New Brunswick and British Columbia had the lowest vacancy rate, 3 per 1,000.

THE CONSUMER PRICE INDEX — APRIL 1978

The Consumer Price Index was up to 171.2 (1961 = 100) in April an increase of 0.2 per cent from March. This slight increase, the smallest since December 1975 came after a very steep rise in March. The twelve-month rise from April 1977 stood at 8.4 per cent, down from 8.8 per cent registered in the previous month. The deceleration was due almost entirely to the recent reductions in the provincial sales tax. As a result, the all-items excluding food index actually decreased (-0.4 per cent) — the first decline in eight years.

The impact of the sales tax is more obvious when prices are viewed in terms of *goods excluding food*. The decrease (-1.0 per cent) of this index was attributable only to lower prices for taxable items as was evident in the substantial reductions for durable goods (-1.9 per cent) and semi-durable goods (-2.6 per cent). On the other hand, other goods excluding food increased (0.4 per cent): in particular alcoholic beverages (3.2 per cent) and tobacco (1.5 per cent).

In spite of the drop in the prices of non-food items, the overall index increased because of a substantial rise in food prices. Higher prices for beef, up 8.9 per cent in April (44.3 per cent from a year earlier) was the main contributor. Notable impact also came from increased prices for many fresh fruits and vegetables, for chicken and for certain dairy products, while prices for pork declined (-1.4 per cent). On a year-over-year basis the food index increased 14.7 per cent.

The non-food components that particularly contributed to the decrease were: clothing (-2.7 per cent), transportation (-0.4 per cent), housing (-0.1 per cent) and recreation, education and reading (-0.2 per cent). Partially offsetting the impact of the sales tax reductions were increased prices for tobacco and alcohol products in many provinces, higher postal rates, and increased air fares. The all-items excluding food index advanced 6.1 per cent from a year ago, down from the 7.0 per cent registered in the previous month.

EARNINGS AND INCOME — FEBRUARY 1978

On a *seasonally adjusted* basis, *average weekly earnings* for the industrial composite increased steeply (1.0 per cent) between January and February after a significant decline (-1.2 per cent) in January. All industry divisions (except finance, insurance and real estate which declined) and all regions participated in the increase.

On an *unadjusted* basis, average weekly earnings for the industrial composite increased 6.5 per cent to $258.40 in February from $242.63 a year ago. In real terms this amounted to a *decrease* of 2.1 per cent. In *industries*: the increase in mining was very steep, 9.3 per cent on a year-over-year basis (to $371.97); manufacturing

increased 8.1 per cent (to $280.30), construction 8.4 per cent (to $380.45), trade 7.3 per cent (to $197.87), and services 4.8 per cent (to $176.13). By *regions*, the highest increase was experienced in Quebec with an average weekly earnings of $255.23 (7.8 per cent), followed by Ontario $258.70 (6.9 per cent), the Prairies $256.90 (6.7 per cent), British Columbia $293.94 (6.7 per cent), and the Maritimes $229.11 (5.4 per cent).

Average hourly earnings for the hourly-rated wage-earners in manufacturing increased 4 cents to $6.68, on a seasonally adjusted basis.

Total labour income (unadjusted) was estimated at $10.0 billion in February, an increase of 7.9 per cent from a year earlier. Seasonally adjusted *wages and salaries* increased substantially ($129.1 million or 1.4 per cent) between January and February to a total of $9.5 billion. A large share of this increase ($58.2 million or 2.8 per cent increase) was in manufacturing.

WAGE SETTLEMENTS — FIRST QUARTER 1978

There were 103 major collective agreements settled in the first quarter of 1978. These provided for an average compound annual rate of increase of 6.7 per cent in the base rates, further extending the trend of lower rates of increase in collective agreements that started in 1975. For comparison, the rate of increase of the previous quarter was 7.1 per cent, 8.4 per cent in the first quarter 1977, and 14.1 in the first quarter 1976. During 1975, the average increase was 17.0 per cent.

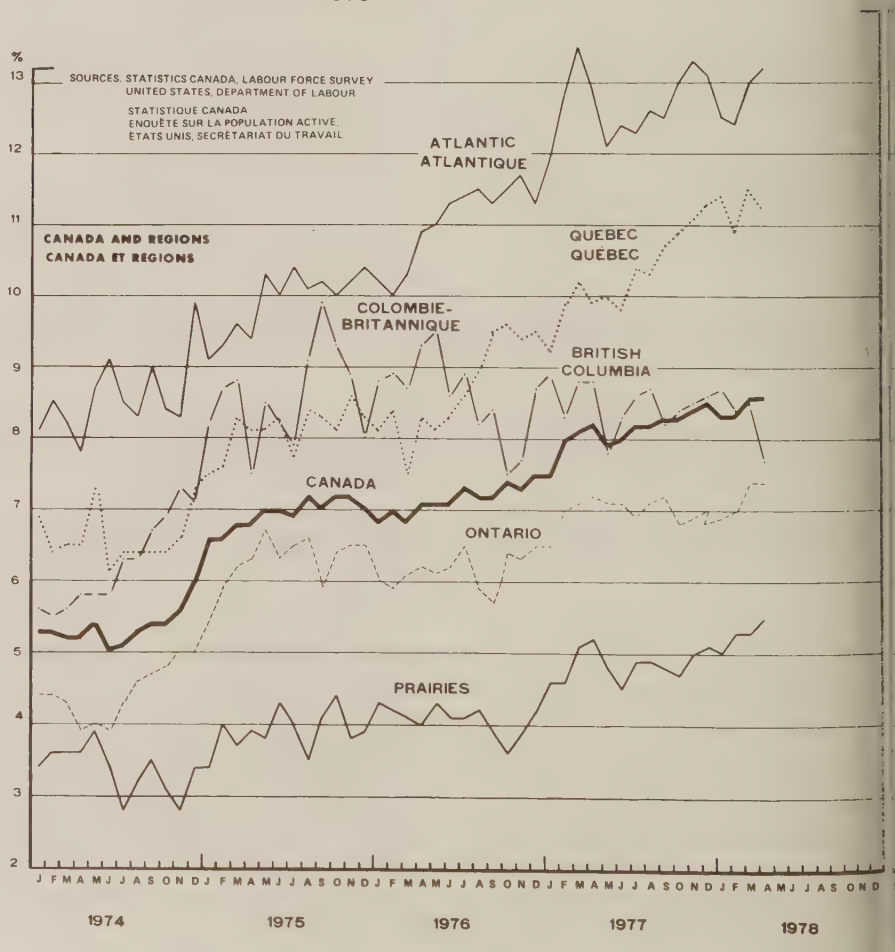
The average for the last four quarters for all industries was 7.4 per cent; in all commercial industries it was 7.5 per cent and in manufacturing it was 6.8 per cent.

STRIKES AND LOCKOUTS — FEBRUARY 1978

During February 1978, there were 138 strikes, 64 of which began during the month; 29,705 workers were involved resulting in a total loss of 278,200 man-days. Time loss was equivalent to 16 man-days to 10,000 man-days worked by non-agricultural paid workers. The comparative numbers for January were 96 strikes during the month, 24,395 workers involved, 365,720 man-days lost — an equivalent of 21 man-days to 10,000 man-days worked.

In manufacturing, 126,510 man-days were lost in February (45 per cent of total) compared with 94,610 (26 per cent) in January. In relation to paid employment, 34 man-days were lost for every 10,000 worked, compared with 25 in January.

UNEMPLOYMENT RATES
TAUX DE CHÔMAGE
(SEASONALLY ADJUSTED)
(DÉSAISONNALISÉS)
1974 — 1978



labour statistics

ABOUR MARKET

	Seasonally Adjusted			% change[2]		Unadjusted		
	Feb. 1978	Mar. 1978	Apr. 1978	Mar. 1978	Apr.	Apr. 1977	Apr. 1978	% Change[1]
TAL			(numbers in thousands)					
bour Force	10,835	10,922	10,931	0.8	0.1	10,340	10,750	4.0
ployment	9,934	9,984	9,996	0.5	0.1	9,425	9,752	3.5
employment	901	938	935	4.1	- 0.3	914	999	9.3
employment Rate (%)	8.3	8.6	8.6	—	—	8.8	9.3	—
rticipation Rate (%)	62.0	62.4	62.3	—	—	60.2	61.3	—
Both Sexes: 15-24	63.4	64.1	63.5	—	—	59.7	60.1	—
Men:	77.7	77.9	77.8	—	—	76.3	76.4	—
— 25 and over	80.8	81.0	81.0	—	—	80.5	80.7	—
Women :	46.8	47.3	47.4	—	—	44.7	46.7	—
— 25 and over	43.1	43.6	43.8	—	—	41.3	43.8	—
PLOYMENT	9,934	9,984	9,996	0.5	0.1	9,425	9,752	3.5
Both Sexes: 15-24	2,466	2,485	2,472	0.8	- 0.5	2,287	2,318	1.4
Men:	6,176	6,191	6,174	0.2	- 0.3	5,898	5,987	1.5
— 25 and over	4,831	4,839	4,835	0.2	- 0.1	4,657	4,748	2.0
Women:	3,758	3,793	3,822	0.9	0.8	3,527	3,765	6.7
— 25 and over	2,637	2,660	2,689	0.9	1.1	2,482	2,685	8.2
id Workers	8,879	8,944	8,990	0.7	0.5	8,463	8,739	3.3
Non-Agriculture	8,753	8,816	8,868	0.7	0.6	8,327	8,630	3.6
Industries								
Agriculture	458	467	453	2.0	- 3.0	451	434	- 3.8
Manufacturing	1,933	1,951	1,970	0.9	- 1.9	1,876	1,917	2.2
Construction	638	628	622	- 1.6	1.0	574	559	- 2.6
Trade	1,727	1,748	1,773	1.2	- 1.0	1,646	1,742	5.8
Services	2,801	2,809	2,829	0.3	- 0.2	2,665	2,798	5.0
Regions								
Atlantic	754	751	757	- 0.4	0.8	681	711	4.4
Quebec	2,538	2,543	2,538	0.2	- 0.2	2,413	2,461	2.0
Ontario	3,816	3,842	3,860	0.7	0.5	3,648	3,782	3.7
Prairies	1,727	1,744	1,740	1.0	- 0.2	1,649	1,707	3.5
British Columbia	1,095	1,103	1,108	0.7	0.5	1,035	1,091	5.4
EMPLOYMENT RATE (%)	8.3	8.6	8.6	—	—	8.8	9.3	—
Both Sexes: 15-24	14.8	15.1	14.8	—	—	15.1	15.5	—
Men:	7.5	7.7	7.9	—	—	8.4	9.1	—
— 25 and over	5.0	5.1	5.4	—	—	6.2	6.7	—
Women:	9.6	10.0	9.6	—	—	9.5	9.5	—
— 25 and over	7.7	8.1	7.8	—	—	7.4	7.9	—
Regions								
Atlantic	12.4	13.0	13.2	—	—	15.1	15.5	—
Quebec	10.9	11.5	11.2	—	—	10.6	11.8	—
Ontario	7.0	7.4	7.4	—	—	7.6	8.0	—
Prairies	5.3	5.3	5.5	—	—	5.6	6.1	—
British Columbia	8.4	8.5	7.7	—	—	9.5	8.4	—
MPLOYMENT RATIO	56.8	57.0	57.0	—	—	54.9	55.6	—
Both sexes: 15-24	54.1	54.4	54.1	—	—	50.7	50.7	—
Men:	71.9	71.9	71.6	—	—	69.9	69.5	—
— 25 and over	76.8	76.8	76.6	—	—	75.5	75.3	—
Women:	42.3	42.6	42.9	—	—	40.4	42.2	—
— 25 and over	39.8	40.0	40.4	—	—	38.2	40.3	—

er cent change from previous month.
er cent change from previous year.
urce: Statistics Canada, The Labour Force, Cat. No. 71-001.

CONSUMER PRICE INDEX

	Unadjusted						Seasonally Adjusted		
	1978			% Change From Previous Year			Current Annual Rate of Change		
	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr
All-Items (1971 = 100)	168.9	170.8	171.2	8.7	8.8	8.4	6.9	8.1	8.
Food "	194.3	197.0	200.4	13.4	13.9	14.7	13.1	11.7	16.
Total Ex-Food "	160.1	161.8	161.2	6.9	7.0	6.1	4.6	6.7	5.

EARNINGS AND INCOME

	Unadjusted			Seasonally Adjusted				
	Feb. 1977	Feb. 1978[p]	% change[1]	Dec. 1977[p]	Jan. 1978[p]	Feb. 1978[p]	% change[2] Jan.	Feb
AVERAGE WEEKLY EARNINGS ($)								
Industrial Composite ($ Current)	242.63	258.40	6.5	258.85	255.68	258.27	- 1.2	1.
Real ($ 1971)	154.54	151.29	- 2.1	153.95	151.31	151.06	- 1.7	- 0.
By Regions:								
Atlantic	217.31	229.11	5.4	228.20	227.19	227.22	- 0.4	0.
Quebec	236.68	255.23	7.8	253.89	253.02	254.64	- 0.3	0.
Ontario	242.05	258.70	6.9	258.72	252.54	259.17	- 2.4	2.
Prairies	240.79	256.90	6.7	255.52	255.21	256.41	- 0.1	0.
British Columbia	275.46	293.94	6.7	291.44	292.39	294.74	0.3	0.
Manufacturing:								
Average Weekly Earnings ($)	259.26	280.30	8.1	276.90	272.82	278.99	- 1.5	2.
Average Hourly Earnings ($)	6.17	6.67	8.1	6.62	6.64	6.68	0.3	0.
Average Weekly Hours	38.9	38.9	0.0	39.2	37.8	38.7	- 3.5	2.
Total Labour Income ($ Million)	9,258.9	9,986.3	7.9	10,287.0	10,117.7	10,257.0	- 1.6	1.
Wages and Salaries - Total	8,561.2	9,229.7	7.8	9,508.0	9,349.6	9,478.7	- 1.6	1.
— Manufacturing	1,957.2	2,104.1	7.5	2,121.1	2,097.0	2,155.2	- 1.1	2.

JOB VACANCIES

	Unadjusted					Seasonally Adjusted			
	1977				1978	1977			
	I	II	III	IV	I	I	II	III	IV
	(numbers in thousands)								
All categories	39.7	49.7	52.7	35.6	37.8	46.8	47.8	42.9	40.5
Full-time jobs	35.3	43.2	45.5	30.9	34.1	41.0	41.5	37.4	35.3
Long-term vacancies	12.4	13.2	15.7	12.1	11.8	13.7	14.4	12.5	13.2

[1] Per cent change from previous year.

[2] Per cent change from previous month.

[p] Preliminary.

Source: Statistics Canada, *The Labour Force*, Cat. No. 71-001. Statistics Canada, *Employment, Earnings and Hours*. Cat. No. 72-002. Statistics Canada, *Quarterly, Report on Job Vacancies*, Cat. No. 71-002, Statistics Canada, *The Consumer Price Index*, 62-001. Labour Canada, *Wage Developments*, Labour Data Branch.

JOR COLLECTIVE BARGAINING SETTLEMENTS

	Annual			Quarterly							
				1976		1977				1978	Last Four
	1975	1976	1977	III	IV	I	II	III	IV	I	Quarters
	(annual compound rates of change)										
dustries	17.0	10.2	7.7	9.4	7.9	8.4	7.9	7.4	7.1	6.7	7.4
mercial	14.9	9.6	7.6	8.9	7.2	7.9	7.5	7.4	8.0	7.0	7.5
facturing	13.9	8.8	6.9	9.3	5.9	6.9	6.2	7.4	7.3	6.5	6.8

RIKES AND LOCKOUTS

	1976			1977				1978	
	II	III	IV	I	II	III	IV	Jan.	Feb.
	(Quarterly averages)								
es and Lockouts:									
ginning during month	110	73	56	56	74	69	48	48	64
isting during month	209	203	143	118	152	155	111	96	138
ers Involved	231,695	112,173	342,621	24,039	36,790	34,813	25,876	24,395	29,705
days Lost — Total	864,817	1,466,900	927,813	200,670	312,263	332,267	257,427	365,720	278,200
anufacturing	296,383	501,157	278,540	110,100	207,630	189,653	154,340	94,610	126,510
days Lost as a % of									
imated Working Time	0.48	0.79	0.50	0.11	0.17	0.18	0.14	0.21	0.16
anufacturing	0.74	1.18	0.67	0.28	0.52	0.46	0.34	0.25	0.34

NIMUM WAGE RATES — PER HOUR

sdiction	Effective Date	Experienced Adults	Youths and Students
eral	April 1, 1976	$2.90	under 17: $2.65
rta	March 1, 1977	$3.00	under 18: $2.85 Part-time students under 18: $2.50
sh Columbia	June 1, 1976	$3.00	17 and under $2.60
itoba	September 1, 1976	$2.95	under 18: $2.70
r Brunswick	November 1, 1976	$2.80	no special rates
foundland	January 1, 1976	$2.50	no special rates
a Scotia	January 1, 1977	$2.75	14 to 18: $2.50
ario	March 15, 1976 August 1, 1978 January 1, 1979	$2.65 $2.85 $3.00	Students under 18 employed less than 28 hours in a week or during a school holiday: $2.15
ce Edward Island	July 1, 1977 July 1, 1978	$2.70 $2.75	under 18: $2.35 under 18: $2.40
bec	January 1, 1978	$3.27	under 18: $3.07
katchewan	January 31, 1978 June 30, 1978	$3.15 $3.25	no special rates no special rates
thwest Territories	June 7, 1976	$3.00	under 17: $2.55
on Territory	April 1, 1976	$3.00	no special rates

STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basis o reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 10 o more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the unio directly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, ar not included.

TIME PERSPECTIVE ON WORK STOPPAGES, FEBRUARY 1978

Period	Number beginning during month	Work stoppages in existence during month or year			Per cent o estimate workin tim
		Number	Workers involved	Duration in man-days	
Year					
1973	677	724	348,470	5,776,080	0.3
1974	1,173	1,218	580,912	9,221,890	0.4
1975	1,103	1,171	506,443	10,908,810	0.5
1976	921	1,039	1,570,940	11,609,890	0.5
1977	739	803	217,557	3,307,880	0.1
1977					
February	48	111	19,718	175,740	0.1
March	71	131	23,372	207,270	0.1
April	78	148	38,237	329,350	0.2
May	73	152	34,893	299,940	0.1
June	71	156	37,241	307,500	0.1
July	55	138	38,802	405,760	0.2
August	76	153	34,522	345,970	0.1
September	75	174	31,114	245,070	0.1
October	56	120	19,716	178,300	0.1
November	55	113	32,154	240,850	0.1
December	32	101	25,758	353,130	0.2
1978(1)					
January	48	96	24,395	365,720	0.2
February	64	138	29,705	278,200	0.1

(1) Preliminary

WORK STOPPAGES BY INDUSTRY, FEBRUARY 1978 (Preliminary)

Industry	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Feb.)
		Number	Workers involved	Duration in man-days	
Agriculture	0	0	0	0	0
Forestry	0	0	0	0	0
Fishing	0	0	0	0	0
Mines	3	4	805	6,940	8,090
Manufacturing	22	60	10,080	126,510	221,120
Construction	4	8	1,154	2,090	7,670
Transp. & Utilities	9	20	14,028	99,020	321,820
Trade	3	12	797	12,990	28,080
Finance	0	1	26	420	520
Service	16	26	2,223	23,750	50,050
Public Admin.	7	7	590	6,480	6,570
Various industries	0	0	0	0	0
TOTAL	64	138	29,705	278,200	643,920

WORK STOPPAGES BY JURISDICTION, FEBRUARY, 1978 (Preliminary)

Jurisdiction	Number beginning during month	Work stoppages in existence during month			Cumu lativ dura tion i man day (Jan. t Febr
		Number	Workers involved	Duration in man-days	
Nfld.	2	2	630	6,330	6,38
P.E.I.	0	0	0	0	
N.S.	3	3	572	2,130	2,13
N.B.	1	2	559	360	1,39
Quebec	19	57	7,029	102,300	194,60
Ontario	22	45	5,932	63,840	106,47
Manitoba	0	0	0	0	14
Saskatchewan	5	6	445	860	2,36
Alberta	0	2	103	2,060	5,24
B.C.	8	9	3,215	9,450	14,53
Yukon & N.W.T.	0	0	0	0	
Total, provinces	60	126	18,491	187,330	333,24
Federal Public Service(1)	1	1	80	40	17
Federal Industries(2)	3	11	11,134	90,830	310,51
Federal total	4	12	11,214	90,870	310,86
TOTAL	64	138	29,705	278,200	643,92

(1) Covered under the Public Service Staff Relations Act.
(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in the dispute.